Published Monthly by the NATIONAL MUNICIPAL LEAGUE
Volume XXI, No. 10
TOTAL NO. 196

NATIONAL MUNICIPAL REVIEW

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The contents of the NATIONAL MUNICIPAL REVIEW are indexed in the *International Index to Periodicals* and in *Public Affairs Information Service* and by the *Engineering Index Service*

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THE LEAGUE'S BUSINESS

Thirty-eighth Annual Meeting.—The thirty-eighth annual convention was held at the Hotel Willard, Washington, on September 19, 20 and 21. The attendance was much smaller than in previous years, but those present were treated to a rare excellence in the program. The speakers, without exception, had carefully prepared their remarks. The entire program, centering on the general theme of "Paying for Local Government During Depression," was well received by those at the convention, and was accorded nation-wide publicity by the press. A number of the leading addresses delivered at the convention will appear in subsequent issues of the NATIONAL MUNICIPAL REVIEW.

The officers held two meetings during the convention to discuss routine organization matters and to plan for curtailment of expenditures to cope with the present financial crisis.

During the meeting several committees of the National Municipal League held one or more sessions. The Committee on New Municipal Program met and gave final consideration to the galley proof of the new edition of the *Model City Charter*. The Committee on Constructive Economy in Government held two sessions and made considerable progress in its plans for a report on this subject. The National Committee on Municipal Reporting, organized by the National Municipal League several years ago, met during the convention to consider a future work program. The Committee on Model Administrative Code and the Committee on Proportional Representation also held meetings for discussion of their work.

The annual business meeting was held on the forenoon of September 20. Howard Strong, as chairman of the Committee on the Revision of the Constitution, recommended that the constitution be revised along the lines listed on this page in the August issue. The recommended revisions were adopted and the revised constitution will either be published in a forthcoming number of this magazine, or will be distributed upon request in mimeographed form to the membership. The report of the Committee on Nominations, headed also by Howard Strong, was accepted and the following officers were elected:

President, Murray Seasongood, Cincinnati; *First Vice-President,* Louis Brownlow, Chicago; *Second Vice-President,* Mrs. F. Louis Slade, New York; *Honorary Vice Presidents,* Henry J. Allen, Wichita, Kansas; Charles A. Beard, New Milford, Conn.; H. L. Brittain, Toronto; Harry F. Byrd, Winchester, Va.; Frederic A. Delano, Washington, D. C.; Samuel S. Fels, Philadelphia; John M. Gries, Washington, D. C.; A. R. Hatton, Evanston, Ill.; John R. Haynes, Los Angeles; Frank O. Lowden, Oregon, Ill.; C. E. Merriam, Chicago; W. B. Munro, Pasadena; Frank L. Polk, New York; Thomas H. Reed, Ann Arbor, Mich.; Chester H. Rowell, Berkeley, Cal.; Samuel Seabury, New York; Miss Belle Sherwin, Washington, D. C.; Silas H. Strawn, Chicago; A. Leo. Weil, Pittsburgh. *Council*: Harold S. Buttenheim, New York; Mayo Fesler, Cleveland; Raymond V. Ingersoll, New York; Morris B. Lambie, Minneapolis; William P. Lovett, Detroit; Mrs. Virgil Loeb, St. Louis; Henry L. Shattuck, Boston; C. O. Sherrill, Cincinnati; Henry M. Waite, Cincinnati; Morton L. Wallerstein, Richmond, Va.

At this business meeting the Honorable Murray Seasongood, president, gave a report on his first year as head of the organization. The report of the secretary, covering the work of the office from November 1, 1931 to September 1, 1932, was distributed in mimeographed form. This report is now available to members upon request.

* * *

National Municipal League Represented Before Election Law Revision Committee.—Albert S. Bard of New York City, a prominent member of our Committee on Election Administration, represented the National Municipal League at a meeting of the New York State Committee on the Revision of the Election Law held in the Municipal Building, New York City, on August 19. At this meeting Mr. Bard presented the recommendations of the National Municipal League on registration and election procedure.

* * *

President Seasongood Contributor to The American Scholar.—The March issue of *The American Scholar,* the official publication of Phi Beta Kappa, contained an article by Murray Seasongood, president, on "George Washington and Political Parties." Reprints of this article are available, upon request, from the secretary's office.

RUSSELL FORBES, *Secretary.*

Editorial Comment
✣
October

NATIONAL MUNICIPAL REVIEW

Vol. XXI, No. 10 Total No. 196

The finest piece of work the fire department can do is to make itself unnecessary, declared City Manager C. A. Dykstra of Cincinnati in a speech to the six men who ranked highest in the recent civil service examinations for fire captain. We agree heartily, but are appalled by the number of governmental services to which the same truth applies.

Harris S. Keeler, for many years the director of the Chicago Bureau of Public Efficiency and more recently of the combined Civic Federation and Bureau of Public Efficiency, died suddenly on August 21 from heart disease. To REVIEW readers Mr. Keeler was well known. His life was dedicated to the struggle against official incompetency, dishonesty and wasteful public expenditures. We quote from an editorial in a Chicago newspaper which fittingly describes Mr. Keeler's peculiar contribution to governmental progress:

> Mr. Keeler possessed exceptional qualifications for his difficult position. He was no narrow expert; his approach to governmental problems was broad and enlightened. He had exceptional good sense, as well as knowledge of the field in which he worked. He was fair and rigorously accurate. He worked with, not against, the public agencies he sought to enlist in the movement for constructive reform.

Asserting that slum conditions are demoralizing to slum inhabitants and destruction of property values, Cleveland's Council Committee on Housing recommends legislation to authorize limited dividend housing corporations along the lines of New York's law. This will enable Cleveland to borrow money from the R. F. C. to clear her slums. The committee further called upon banks, architects, engineers, builders, real estate owners, social workers and school authorities to coöperate in formulating plans for large scale housing projects. Ernest J. Bohn is chairman of the committee which drafted the report.

*

Jimmy Walker Resigns

Announcing that he was being outraged by the unlawful acts of Governor Roosevelt, Jimmy Walker resigned as mayor of New York City as the hearings on his removal were nearing their end, and thus abruptly terminated the long struggle to evict him from office. The former mayor's conduct throughout the proceedings, as well as that of his counsel, did much to strengthen popular belief in his guilt, and it is generally accepted that his promise to seek vindication at the next election will not be fulfilled. His boast that he had met his accusers and disproved their charges and his hysterical tirades against the governor served only to lower him further in popular esteem. Governor Roosevelt's attitude at the

hearings was above criticism, but as the proceedings progressed it became clear that he could do nothing else than remove Walker.

Borough President Joseph V. McKee immediately succeeded to the mayoralty and at once began what promises to be a severe policy of retrenchment. To date his economies have been dramatic rather than devastating. His prompt saving of $50,000 by taking the contract for printing the November ballots away from an old Tammany favorite was almost a stroke of genius.

It has been said that Mayor McKee did more in two weeks to discredit the administration of Jimmy Walker than Judge Seabury had accomplished in two years. While this overlooks the real force of the careful and constructive work of the Seabury investigation, it is true that Mayor McKee's actions have stirred a rather jaded populous measurably weary of Judge Seabury's ponderous outgivings. But Judge Seabury laid the net in which Walker entangled himself, and had his investigation not been so thorough and conclusive the latter would still be New York's chief executive.

At this writing it has not been determined whether Mr. McKee is mayor of New York or only acting-mayor; whether he will serve out the full unexpired term or whether a new election will be ordered in November. The question is now before the courts for decision. Mayor McKee has long held the respect of many influential New Yorkers and will be a formidable candidate for election to the mayor's office, whether Tammany continues hostile to him or not.

*

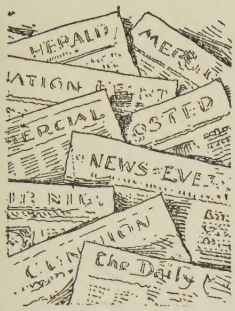
Two Counties Adopt Modern Personnel Systems

On September 12 the board of supervisors of Westchester County, New York, adopted a re-classification and salary standardization plan for 2500 employees, and directed that the titles and schedules of pay set forth be used in the preparation of the 1933 budget. The board also adopted personnel rules to govern the service and appointed a personnel officer to administer them. The New York state civil service commission will act as the recruiting agency, but it is to be supposed that it will lean heavily upon the county personnel officer. The new salary scale is not to apply to employees who have been in the service for 10 years or more and whose present rates of pay are above the proposed maxima. The present salaries below the minima established by the scale are to be increased to the minima if funds are available.

The Westchester County Park Commission, whose accomplishments are famous throughout the United States, operates as an independent administrative unit, although under funds appropriated by the board of supervisors. The supervisors, therefore, did not vote titles and schedules for the park commission, but referred a plan to them for study. It is expected that the park commission will act on the recommendations in the near future. The Bureau of Public Personnel Administration, Fred Telford, director, acted as consultant in the preparation of the reclassification plan.

Hamilton County, Ohio, has also joined the list of counties with an organized personnel system, the county commission having recently appointed a personnel officer, at a salary of $4,000, who will handle all the personnel work, including recruitment. The appointment of the officer followed the adoption of a salary standardization and classification plan. The Bureau of Public Personnel Administration and the Cincinnati Bureau of Municipal Research acted as consultants.

The personnel lay-out for both counties represents the most advanced thought in civil service circles and closely resembles the provisions of the forthcoming new edition of the National Municipal League's *Model City Charter*.



HEADLINES

Trust the politicians to be on the job when ordinary citizens can't find money to finance campaigns! Niagara Falls, New York; East Cleveland and Lima, Ohio, all have elections this fall to decide whether the manager plan will be thrown out. If the plan survives a time when folks are voting their economic discontent, that is real testimony to the hold it has obtained.

* * *

More than a billion dollars reduction in assessed valuation has been the bitter medicine gulped down by Detroit in the last two years. Realtors there were so enthusiastic in the boom period they had enough business lots set aside to serve a population of 60,000,000.

* * *

But somebody still has money—or they're traveling just one jump ahead of the sheriff in California where gasoline taxes collected were two per cent greater during the first five months of 1932 than 1931. This is good news for California counties which depend heavily upon receipts from the gas tax.

* * *

Several nation-wide organizations of taxpayers have been launched within the past few months. The latest, which appears off to a good start, is the National Council of Taxpayers' Associations, with A. C. Rees, secretary of the Utah Taxpayers' Association, as its directing genius.

* * *

Consolidation of the 77 counties of Oklahoma into 20 would save approximately $18,000,000 a year, according to the Chamber of Commerce of Oklahoma. Abolition of townships and consolidation of school districts would save another $3,000,000, it is estimated.

* * *

Four Virginia counties have rejected at special elections the Byrd plan by which state government would take over responsibility for construction and maintenance of all county roads. The plan goes into effect in all other counties of the state.

* * *

Chicago school teachers are receiving salary cuts by economic law instead of municipal ordinance. School tax anticipation warrants recently dropped to 72 cents on the dollar after the Board of Education handed over another $6,000,000 worth to 14,000 teachers as remuneration for last year's work.

* * *

Real estate in Virginia is carrying a lighter tax burden than anywhere else in the country, according to Dr. William H. Stauffer, state tax economist.

Profit of almost a million dollars will have been made in 1931 by Richmond's municipally owned and operated public utilities, according to seven-month estimate by the director of utilities. Page Samuel W. Insull!

* * *

Only 53 per cent of Cook County's 1930 taxes have been paid despite repeated postponements of the delinquency date.

* * *

Abolition of the city planning and zoning commissions of Philadelphia is one of the "economy measures" adopted by Mayor Moore who has transferred the personnel of these commissions to the bureau of engineering and surveys in the department of public works.

* * *

A cut of $70,000,000 in the assessed valuation of Boston has made necessary a jump of $4 in the tax rate which brings it to $34 per thousand assessed valuation. Mayor Curley is appealing to the state government for further financial aid.

* * *

The expenses of legislative bodies are ordinarily overlooked in movements for economy in government. The state of Arizona is an exception, for membership in the lower house would be reduced more than 60 per cent and costs cut more than $40,000 annually under the proposed constitutional amendment for which petitions are now being circulated to put the proposition on the ballot in November. The salaries of legislators would be chopped from $15 to $8 per day.

* * *

A proposed amendment to the Ohio constitution, which was the hope of those who wished to see improvement in county government brought about in that state, will not go on the ballot this fall. When the signatures of the petition were counted at the state capitol, it was found the sponsors were short 22,000 names of the 196,000 needed.

* * *

A year's relief from taxes for faithful taxpayers has been voted by the city council of Marshallville, Georgia. A check of back taxes revealed there was ample on the books to run the municipality through 1933 if a fair percentage could be collected.

HOWARD P. JONES.

Saint Paul's Fair Wage System

FALLING prices have not disturbed St. Paul's system of adjusting wages to the cost of living index

BY CARL P. HERBERT

St. Paul Bureau of Municipal Research

TODAY between three and one-half and four million public employees are wondering what is going to happen to their incomes. Will they remain at the prosperity peak, or will they be reduced below depression rates? Will there be cuts either directly through reduced scales or indirectly through lay-offs without pay? Will the governmental units be able to meet their payrolls throughout the year, or will tax delinquencies be so great that lay-offs will be necessary? As a result of this uncertainty many employees have organized to prevent reductions in salaries.

Taxpayers also are wondering what is going to happen to the income of this large army of civil employees. Since not less than sixty per cent of the average operating budget goes to compensation, they realize that no substantial tax reductions can be brought about unless salaries and wages are lowered. So taxpayers, organized to decrease the tax burden, have included in their program the reduction of salaries.

Thus on the one hand is the public employee attempting to maintain his salary at its highest level; on the other hand is the belligerent taxpayer demanding tax reduction with its corollary, wage reduction. In between is the harrassed salary-fixing body which is seeking a system for payment of public employees mutually satisfactory to the employee and the employer, the taxpayer.

AN AUTOMATIC WAGE ADJUSTOR

During the past ten years the city of Saint Paul has been operating under a wage payment system that commends itself alike to those groups, whether taxpayers, civil employees, or legislators, who are attempting to find a permanent way out of the wage adjustment problem. It has placed salary adjustments on a fair basis, taken salary fixing out of politics, and satisfied both the taxpayers and the classified service of the city as to its fairness. Its history is of sufficient duration to demonstrate its practicability.

Previous to 1922 this city, with about two thousand employees in its classified service, had a chaotic salary scheme similar in many respects to that in effect in most of our governmental units today. Each of the six departments of the commission government was a power unto itself so far as the salaries of its staff were concerned. Each had its own administrative ordinance to fix its salary schedules. Inequalities were obvious in such a plan and these led to a general breakdown in the morale of the city service.

As a way out of the confusion, the civil service bureau sought a basis upon which to build a permanent salary structure. Careful study convinced

Civil Service Examiner J. B. Probst that this basis could be found in the cost of living. At his suggestion the council adopted an ordinance providing for annual adjustment of salaries upon a cost of living basis. As this cost increased, salaries were to go up; as it decreased, salaries were to come down. The first essential of such a scheme necessarily was that the base should be sound. As described by Mr. Probst:

> The year 1916 was taken as a base because, so far as could be learned at the time, the consensus of opinion among leading economists was that the level of prices would return, not to a pre-war basis, but in all probability to the level that prevailed in 1916. The basic minimum rate is the salary that, under conditions such as prevailed in 1916, was deemed fair and equitable for the class or group of positions to which the rate is applied. To this basic rate was then added a percentage increase for the purpose of ascertaining the proper rate of pay for the year 1922, when the plan was adopted.
>
> The percentage increase was determined by calculating the increase in the cost of living for the average family in 1922 over the cost in 1916, as shown by the index numbers published by the United States Bureau of Labor Statistics. The full percentage increase, however, is only allowed to the lower paid employees, and this on the popular theory that the higher-ups are not affected so seriously by a rise in the cost of living. The standardization then provides that adjustments shall be made in June of each year and that these adjustments shall be based on the latest available statistics secured by the labor bureau through its periodic cost-of-living surveys.[1]

At present there are 27 standard rates which apply to the entire classified civil service. The ordinance containing these rates is drawn in such a way that salaries cannot be fixed for individual positions, but must apply to all of the positions listed within a grade.

[1]For a detailed description of this plan, see *St. Paul Adopts a Stabilized Wage*, by John B. Probst in the October, 1926, NATIONAL MUNICIPAL REVIEW.

A FAIR BASE DEMONSTRATED BY EXPERIENCE

The base upon which the salary structure is built has proven through experience to be fair. The salary rates as fixed in October, 1922, continued in force until July, 1924, when responding to the ascending curve of living costs the salaries went up two points. There was no further adjustment until January 1, 1927, when the employees received the benefit of another one point advance in the living index. These adjustments, however, were in favor of the employee and obviously no test of the system had yet been witnessed. No objections to the increases were offered by the taxpayers and the increases were routine business. The employees who willingly accepted the increases showed their respect for the contract on two later occasions when with apparent equal willingness they took reductions.

One downward adjustment incidentally was made in so-called prosperous times. The first, three points on January 1, 1928, brought the salaries back to the plane of 1922. The next, on January 1, 1931, reduced the adjusted percentage three points under that of 1922.

Not until the summer of 1931 immediately before budget-making time did any apparent opposition to the system develop. A group of employees convinced a majority of the council that no adjustment should be made in 1932, basing their plea for a moratorium upon the request of President Hoover that salaries in private business be maintained at their current level. Definite information from the bureau of labor statistics was not available at the time, but when it was published it was shown that the adjusting percentage for the city salaries would have been nine points downward. Converted into a percentage of maximum salaries this meant actual reductions of four to five per cent on the majority of positions.

ADJUSTMENTS DOWNWARD

More recent developments in the fiscal affairs of the city pointing toward increased tax delinquencies for the current year, however, forced the reopening of the salary question and the council voted to reinstate the cost of living ordinance with its attending reductions, effective June 1, 1932. Data from the June survey of the bureau of labor statistics show that on January 1, 1933, the salaries will be reduced another ten points, or approximately 5 per cent of the rates actually paid. The working of this wage system is shown in the following table:

TABLE SHOWING WAGE ADJUSTMENTS IN TYPICAL EMPLOYMENTS

Monthly entrance salaries as of January 1.

Position	Basic Entrance Salary as of 1916	1922 to 1924	1924 to 1927	1927	1928 to 1931	1931 to June, 1932	June, 1932	January, 1933 Adjusted Entrance Rate	Maximum Rate (2)
Junior Clerk	$50.00	$75.00	$76.00	$76.50	$75.00	$73.50	$69.00	$64.00	$94.00
Senior Clerk-Stenographer ...	80.00	120.00	121.60	122.40	120.00	117.60	110.40	102.40	132.40
Janitor	60.00	90.00	91.20	91.80	90.00	88.20	82.80	76.80	106.80
General Library Assistant	70.00	105.00	106.40	107.10	105.00	102.90	96.60	89.60	119.60
Assistant Civil Engineer	150.00	199.50	201.00	202.50	199.50	196.50	187.50	177.00	222.00
School Nurse	80.00	120.00	121.60	122.40	120.00	117.60	110.40	102.40	132.40
Paving Inspector .	100.00	142.00	144.00	145.00	142.00	139.00	132.00	124.00	154.00
Junior Accountant	125.00	172.50	175.00	176.25	172.50	170.00	161.25	152.50	190.00
Patrolman	90.00	131.40	133.20	134.10	131.40	128.70	121.50	113.40	138.40
Playground Director	80.00	120.00	121.60	122.40	120.00	117.60	110.40	102.40	132.40

(2) Maximum rates that may be paid to persons in the positions listed, as determined by length of service.

SATISFACTORY TO ALL

The adjustment of city salaries on a cost of living basis has stood the acid test of substantial downward revisions. No further opposition to it is anticipated from city employees. Today they realize the value of a contractual relationship that imposes a moral obligation upon the citizenship to pay the rates scientifically computed. They see other cities making drastic, arbitrary, horizontal cuts and even deferring salary payments. They need not fear that this will take place in Saint Paul. They also know that when times get better their salaries will automatically follow the upward curve instead of lagging far behind, as history has shown will be the case in most private and public businesses. Then, too, the real purchasing power of the employees is kept constant.

The councilmen like this system because it eliminates the periodical bickerings attendant upon salary revision. It has not been necessary in ten years to revise the salary schedules.

The taxpayers like this system because public salaries are based on their ability to pay the bill.

Above all, the reason why all of these groups like this scheme is because it is based upon fairness to the employer, the taxpayer, the councilmen and the city employees. It seems altogether likely that the Saint Paul system of wage adjustment is the answer to the prayers of vexed officials elsewhere. It is an idea which merits the investigation and consideration of all salary-fixing bodies.

Bargaining for Utility Rate Reduction

BARGAINING may offer limited relief from cumbersome regulation but the police power must always be ready for use

BY JOHN BAUER

American Public Utilities Bureau

PUBLIC utility rate adjustments, whether upward or downward, are difficult to make under the established system of regulation. The process is cumbersome, and rate cases, at best, have been far from satisfactory from the public standpoint. They have involved too much time, expense, cross-purposes, and guess-work. The system is admirably designed to block regulation and to defeat the larger purposes for which the commissions were established.

What is needed is a definite cost system so that the aggregate revenues to which a company is entitled can be quickly determined by simple accounting analysis. So far as is practicable, the costs should be sub-divided by different consumer groups to correspond with the rate schedules. Until rate-making has been placed upon a cost accounting basis, the procedure is bound to be unwieldy and the results unsatisfactory.

Under these circumstances, and in view of the rapidly declining costs during recent years, there has developed increasing discontent with cumbersome rate proceedings. The public has demanded, and the commissions have been eager to make all possible short-cuts and to give the public the benefit of prompt rate reductions, without going into time-consuming rate cases which might postpone the realization of lower rates indefinitely, and would involve large costs for the companies and the public.

THE PLACE OF NEGOTIATION

Among the expedients resorted to, has been the process of *negotiation* between the commissions and the companies for the purpose of agreeing upon reductions that the companies will put into effect voluntarily. The commissions usually have available much of the information that is necessary to indicate the extent that reductions should be made. By cross-table discussion, formalities and trivialities can be avoided, the essential facts presented, the different views debated, and a reasonable result reached without the cumbersome, time-consuming, and expensive procedure of a formal rate case.

The method looks good on paper, and sounds attractive. It makes a strong appeal; but its effectiveness depends upon the special circumstances of each case. As yet we have not had enough concrete experience to make possible satisfactory comparison of results. There is danger that the gains to the public are exaggerated and that greater rights are sacrificed in the interest of a favorable showing.

There is no doubt that bargaining has its place in our system of regulation so long as the elements entering into rates are so uncertain, and variable. It is

impracticable for a commission to rush into rate cases on a wholesale scale. No commission ever has had an adequate engineering and accounting force to carry on simultaneously numerous valuations and accounting studies. The number of detailed cases must inevitably be limited at any one time. Unless a more or less critical situation arises, rates have been left unchanged, and to a large extent regulation has gone by default because of the unmanageable system.

A commission should, of course, make every practicable effort to bring about rate revisions without formal rate cases. Particularly during the present period of economic distress, informal efforts should be exerted energetically to effect all reasonable reductions. Where prices and purchasing power have fallen enormously, where the property valuations manifestly have declined greatly, and where rates are plainly excessive, the commissions should resort to negotiation to obtain prompt relief to consumers. Formal cases should be reserved to instances where justification is greatest and where the results to be effected are maximum.

The success to be expected through negotiation, depends upon the commission's bargaining power. The very fact that formal rate proceedings are unwieldy, reduces the commission's bargaining position, and augments the company's. The latter, of course, will declare its eagerness to do everything possible for the consumers, and to reduce rates consistent with proper service and fair return to the investors. But it will nevertheless realize its strategic position and naturally will not yield more than necessary under the circumstances.

The unyielding position of a company must be regarded as natural and virtually inevitable. It cannot be condemned for standing upon its rights and not sacrificing more than necessary under the exigencies of the situation. In some instances, the management may be especially public spirited and long headed, and go further than actually compelled by immediate circumstances. For the most part, however, the companies will probably hold to the highest rates that they can retain, and make only slight concessions, with much ado and exaggeration of what is actually done for the consumers.

That there should be substantial residential rate revisions in most communities, there can be no doubt. For the most part, however, the voluntary reductions during the past year, based on negotiation, have seldom amounted to more than a fraction of a cent per kilowatt-hour, and often produced an increase in bills to the ordinary and small users. The net results up to date have brought little advantage to the consumers and have left the rate schedules as a whole almost as unsatisfactory as before.

FIRMNESS BY THE COMMISSION

To produce satisfactory results, negotiation in any case must be supported by firmness on the part of the commission. If it makes clear, as unfortunately has been done in some instances, that it is conscious of its helplessness and that it will go to almost any extremity to avoid entering into a rate case, it destroys its bargaining position, and invites the companies to take advantage of the situation.

Negotiations can succeed measurably from a public standpoint only if the commission is well armed with facts, and has a clear policy to be carried out. If it presents its position in a definite and determined manner and makes plain that it will exercise its sovereign power if the company does not accept rates which are manifestly reasonable, then moderately satisfactory adjustments may be achieved in many instances. Success in one case, adds to

its strength of position and to the practical force that can be exerted on other companies. There must be constantly visible, however, the regulatory power of the state, indicating what the commission can and will do as an agency of the state, if the company is not reasonable.

It is the duty of the commission to fix reasonable rates. This responsibility is a serious one, and should not be avoided with easy-going considerations as to practicability. No commission should ever bargain away public rights. If reasonable rates can be obtained through negotiation, well and good; if not, and if the rates are plainly excessive, then the commission's duty is to reduce them in its sovereign capacity. But, of course, it should also be enabled to carry out its duties through adequate appropriations for its work.

SHORT-CUTS IN PROCEDURE

While negotiations may be employed as a substitute for the cumbersome statutory process, there are also expedients available to a commission in simplifying and shortening the procedure in a rate case.

Where the facts are plain, the commission is not required under any of the statutes to go to rediculous lengths in valuations, or to permit a company to waste time in piling up useless details. A company must, of course, be given its day in court, with a reasonable opportunity to present its side, but the commission does not need to permit the defeat of its public responsibility by following methods which lead to defeat.

In most instances, if the commission knows what it is about, it has available data, and can build up a record quickly to justify rate reductions that manifestly should be made. There are records, for example, on fixed capital, extent of the property, operating expenses, and changes in price level. There are also unit cost standards for various classes of property based upon previous cases and studies.

A company has, of course, its constitutional right to appeal from an order of the commission. It is, therefore, necessary to have a record that will stand the scrutiny of common sense. If the company does appeal, the commission then has its day in court to justify what it has done. It should not be deterred from its duty by the possibility of appeal and defeat in the courts. It should be just to the company, and should then be courageous in the defense of the public.

THE WISCONSIN METHOD

As to what can be done through practical expedients, has been shown by the Wisconsin commission during the past year. For example, in dealing with the Wisconsin Telephone Company, which operates virtually state-wide, the commission did not run away from a rate case; but it did use common sense in planning the proceeding. In a period of eleven months it succeeded in building up a record upon which it ordered a reduction of 12½ per cent in all local exchange rates through the state. This was, moreover, a temporary and not a final order. No physical valuation was made. The needed return was based upon investment analysis. The commission issued its order upon what it considered an adequate record under the circumstances of the case. It is to be seen what the company will do as to appeal, and if it appeals, what the courts will do in dealing with the situation as presented by the commission.

It is interesting to note that the Wisconsin commission in its effort to establish effective short-cuts in procedure, has instituted a noteworthy practice before the courts. Members of the commission itself have appeared before the courts to present and explain what is involved in the cases, to show why the decisions were made.

Party Control and Election Costs in Ohio

In Ohio cities it costs more than one dollar per vote to poll the sovereign will of the people. It is almost a racket

BY RAYMOND C. ATKINSON

The Ohio Institute

Ohio election administration furnishes an extreme example of high costs, party domination, and inadequate budgetary control. Not only has the choice of the local election authorities practically been vested by law in the county organizations of the two major parties, but they have been accorded an unusually free reign in the expenditure of public funds. Though Ohio has a compulsory local budget law, it has never been applied effectively to the election system. Boards of elections have been virtually their own masters in determining the scale of election expenses.

How has this situation affected election costs? A recent study, made by The Ohio Institute, throws considerable light on this question.[1] This study shows expenses of more than one dollar per vote cast in all the large cities of the state in 1930, excluding expenditures for booths and equipment. Cleveland spent $1.09 for every voter who went to the polls; Cincinnati, $1.22; Columbus, $1.32; and Toledo, $1.42, in spite of the fact that the 1930 vote was unusually heavy for a non-presidential year.[2] By comparison, the average cost over the preceding four-year period was only 81 cents in Detroit, 72 cents in St. Louis, 51 cents in Milwaukee, and 36 cents in Minneapolis. While such comparisons are necessarily affected by basic differences in election systems, such as the use of annual or permanent registration, it is evident that election costs in Ohio cities are grossly excessive.

WHY COSTS ARE HIGH

A number of factors have contributed to the high scale of election expenditures in Ohio cities. The most important has been the small size of the voting precinct. Prior to 1930, the salaries of members of boards of elections were determined by the number of precincts in their counties. Naturally, this tended to inflate the number of precincts. Where the median vote per precinct in the eight largest Ohio counties was only 196 in November, 1930, it was 292 in twenty non-Ohio cities of the same population group using paper ballots. A similar comparison based on the vote cast in the 1928 presidential election, which probably is less affected by differences in local interest, shows a median vote of 298 per precinct[3] in the eight Ohio counties as against 479 in the non-Ohio cities. Fortunately, this situation is being gradually rectified. The last two sessions of the legislature have pro-

[1]The Ohio Institute, *Election Costs in Ohio and How They Can be Reduced.*

[2]These expenses were somewhat affected by the introduction of permanent registration in 1930, but not sufficiently to alter their significance.

[3]This figure represents the quotient of the 1928 vote divided by the number of precincts existing in 1930 in the case of the Ohio counties, in order to take into account the substantial increase in precinct size since 1928.

gressively raised the legal standard of precinct size from 250 to 400 voters, using the vote in presidential elections as the measure. However, this standard has not as yet been fully applied by the local authorities.

Ohio cities have also occupied a bad eminence in the size of the year-round election personnel. While in 1931 Detroit was able to administer its election system with 12 full-time employees, Cleveland carried no less than 31 on its election payroll. Cincinnati employed 24 persons to do work handled by 4 regular employees in Minneapolis and 2 in Milwaukee. Where Portland, Oregon, had 4 full-time election workers, Columbus and Toledo, cities of approximately similar size, used 17 and 20, respectively. Even the election system of Montgomery County (Dayton) with a population of 275,000 furnished a livelihood for more persons than that of Detroit or of Allegheny County (Pittsburgh). Truly, it would seem that students of the unemployment problem might well examine the stretch-out system in vogue in Ohio election offices. Indeed, though all these employees are paid for full-time service, it is said that several offices have thoroughly-perfected stagger systems of employment, certain members of the force reporting on one day and others on another.

Applying a standard of one full-time election employee for every 25,000 votes cast at general elections, which a number of large cities have demonstrated to be a feasible ratio, the year-round election personnel in the eight largest Ohio counties could be reduced more than 65 per cent. In fact, if all these Ohio counties made as effective use of their employees as one of their number actually does make, there would be a cut of nearly 50 per cent in election personnel.

STATE LAW PARTLY TO BLAME

While the number of precincts and the size of the year-round personnel are matters of local administrative discretion, the inflation of costs is also attributable in part to direct requirements of the state election law. The statutory salaries of members of election boards are a case in point. Though the board has very little business to perform throughout most of the year other than the approval of bills for payment, the salaries of board members are nearly as great in some of the larger counties as those of county commissioners, who have general charge of county affairs. On the basis of salaries received in some counties, board members might properly be expected to give all or most of their time to election duties. In practice, however, these salaries amount to little more than honoraria granted to party leaders for political service.

The election law also contributes to the waste of public funds by requiring the same number of precinct employees for primaries as for general elections. In Ohio the number is six per precinct and the compensation either eight or ten dollars each depending on the population of the county. Could the election organization be adjusted to the requirements of different types of elections, many thousands of dollars might annually be saved, particularly in the larger counties. As it is, the cost of primaries is approximately the same as that of general elections though the vote is normally only about 40 per cent as great.

SPOILS CONTROL

Other factors might be cited which contribute materially to high election costs in Ohio cities, but after all these are only the outward manifestations and not the underlying causes of election waste. The basic cause is undoubtedly spoils control of the election system. Superficially, election administration in Ohio is centralized in the secretary of state. In actual fact, however, it rests with the local organizations of the Democratic and Republi-

can parties. Technically, the secretary of state appoints the members of county boards of elections, which have immediate charge of the election system; but he is specifically required by law to appoint the persons designated by the county executive committees of the two major parties, unless these nominees are definitely unqualified. Under this provision each organization in effect names two of the four members of the local board.

As a result of this requirement, the conduct of the election system is dominated by the party machines and is often prostituted to the interests of party patronage. Membership on the board of elections commonly goes to local party leaders or to their first assistants as compensation for political service. The full-time employees are generally divided evenly between the two parties and recruited from the ranks of precinct and ward captains and party pensioners. Similarly, the election day jobs in the booths and about headquarters normally go to precinct committeemen and to the faithful. Altogether, election patronage provides no inconsiderable proportion of the field forces of the two party organizations.

BUDGETARY IRRESPONSIBILITY

While party domination of the election system is by no means confined to Ohio, its effects on the efficiency of the system appear to have been more extreme than in most parts of the country. This is probably due in large measure to the lack of adequate budgetary control over election expenditures. Not only has the political influence of members of boards of elections tended to give their budget requests a preferred position with local appropriating bodies, but the attorney general has interpreted the budget law in such a manner as to enable these boards to incur obligations in absolute disregard of the appropriations made. In general, local appropriating authorities have considered election budgets beyond their control and have permitted boards of elections virtually to set their own scales of expenditures. As a result, there has been no effective check on the natural inclination of the boards to extend their patronage. Election forces have, therefore, gradually expanded from year to year until they have reached their present absurd proportions.

So long as election employees are exempt from civil service and the conduct of elections is practically vested in the two party organizations, an efficient system of election administration is probably not to be expected in Ohio. Not only does the present arrangement disregard the interests of independents and the non-organization elements of the major parties themselves, but it inevitably tends to convert the election system into a source of political patronage and to inflate the cost of its operation. It is only necessary to note the type of employees found in election offices and to examine the condition of registration and poll books to judge the extent to which party service has triumphed over fitness in the choice of election personnel. Both from the standpoint of efficiency and of fairness to all concerned in the conduct of elections, it would seem that the system would benefit by the substitution of a single administrative head for the existing bipartisan board and by a strict application of the merit system to the recruiting of election personnel. The party organizations are so firmly entrenched in their hold on the election system, however, that any such changes are scarcely within the range of political possibility in Ohio.

County Consolidation in Germany[1]

In Prussia, the super-county is an accomplished fact

BY ROGER H. WELLS *Bryn Mawr College*

THE recent number of the NATIONAL MUNICIPAL REVIEW[2] devoted entirely to county government is indicative of increasing interest in what was once described as "the dark continent of American politics." Such interest is not peculiar to the United States but is found in other countries as well. Thus in Germany, the problem of the county and, in particular, the relations of cities and counties are receiving increasing attention.

The German rural county (*Landkreis*) is confronted with the growing urbanization of the nation and is being subjected to attack from two sides. On the one hand, the small cities seek to become separate city-counties (*Stadtkreise*)[3] so as to be free from the jurisdiction of the parent county. The general rule for city-county separation is that cities which attain a certain designated population (10,000, 25,000, or 30,000 depending upon state law) may, upon petition, be established as independent city-counties by decree of the state cabinet or minister of the interior. On the other hand, the annexation of choice suburban areas in the counties by the larger cities is a continual drain upon county resources without any corresponding relief from county burdens. In consequence, the rural county tends to be reduced to a "rump" and sooner or later must be combined with other similarly weak counties if it is to function effectively.

SUPER-COUNTIES IN PRUSSIA

This combination process was well illustrated in 1929 by the great territorial reorganization which was carried out in the Prussian provinces of Westphalia and the Rhineland. The whole region in question had long been ripe for large-scale boundary changes for it is one of the most highly urbanized and industrialized parts of Germany. After prolonged argument and investigation, the necessary legislation was enacted by the Prussian state legislature[1] and survived all attacks in the courts. The area involved in these changes in the Rhineland and in the Ruhr was almost 3,300 square miles with a population of approximately 6,300,000. Before the reorganization, there had been twenty-two rural counties. Only seven of these remained after

[1]This article is a summary of a section in the writer's book, *German Cities: A Study in Contemporary Municipal Politics and Administration,* which will be published in the fall of 1932 by the Princeton University Press.

[2]August, 1932.

[3]The city-counties resemble the English county-boroughs and the independent cities in the state of Virginia.

[1]Prussia, *Gesetz über die kommunale Neugliederung des rheinsich-westfälischen Industriegebiets* of 1929; *Einführungsgesetz zu dem Gesetz über die kommunale Neugliederung des rheinsich-westfälischen Industriegebiets* of 1929.

the legislation of 1929 but five new rural counties were formed out of the territorial remnants.

Although this great territorial reorganization may seem to have been secured at the expense of the rural counties, they nevertheless gained decided advantages. Since 1927, there has been considerable agitation in Germany for the creation of "super-counties" (*Grosskreise*). The Rhenish-Westphalian legislation of 1929 and a previous act of 1927[2] were important steps in making super-counties possible. The argument for the *Grosskreis* is as follows. The county is now a unit both for local self-government and for state administration. In both these aspects, its functions have steadily developed, especially in the sphere of self-governing activities. Under such circumstances, the defenders of the *Landkreis* naturally ask why the county should be so ruthlessly sacrified to the city. They urge that it would be far better if the position and powers of the *Landkreis* were strengthened so that it might function as a super-county, undertaking those services which the small municipalities within its boundaries are too weak and too poor to supply.

The essential elements of the super-county are: adequate area and resources; definite subordination of the cities and rural communes (*Landgemeinden*) within the county to the authority of the county; prohibition of the separation of cities from the county upon reaching a stated minimum of population; and restriction upon annexation of county territory by large cities. The Prussian legislation of 1929 went far toward supplying the first two of these elements. Obviously, the consolidated counties in the Rhineland and in the Ruhr have more adequate areas and resources. Moreover, the statutes of 1929 definitely enlarged the powers of *all* the rural counties in Prussia. Before 1929, the *Landkreis* and its member cities and *Landgemeinden* had legally equal powers with reference to the assumption of any or all local self-government functions. No matter how much duplication of effort resulted, the theory of legal parity remained. Now, any Prussian rural county may, within its own boundaries and subject to certain procedural and substantive limitations, assume the exclusive administration of any local self-government function.

The third requisite of the super-county is the prohibition of the separation of cities from the county upon reaching a stated minimum of population. No absolute prohibition has as yet been established but the Prussian law of 1927[1] was a step in this direction. By this statute, an act of the state legislature is required in all cases of city-county separation (*Auskreisung*). The process has thereby been made more difficult since formerly a decree of the minister of the interior sufficed. Moreover, the law of 1927 directs that even when a city has reached the population[1] which formerly automatically entitled it to become a separate city-county (*Stadtkreis*) it shall not be separated from the *Landkreis* unless the separation is "for the public welfare." The decision as to what is for the public welfare is left to the state legislature. Finally, the acts of 1929 completely repealed all the population requirements for city-county separation which were contained in the county government acts. The fourth element of the super-county is restriction upon annexations of county territory by large cities. Here again the law of 1927 prescribes that all such annexations must in the future be made by statute.

[1] *Lex cit.*

[1] 25,000, 30,000, or 40,000 depending upon the province.

[2] Prussia, *Gesetz über die Regelung verschiedener Punkte des Gemeindeverfassungsrechts* of 1927, Art. 1.

CITY OPPOSITION TO SUPER-COUNTIES

The cities, large and small, and the *Landgemeinden* have vigorously opposed the idea of the super-county and all attempts to enlarge the position and powers of the *Landkreis*. However, the writer, while granting the force of some of the opposing arguments, nevertheless believes that it is worthwhile to make limited experiments with super-counties. The rural county's right of exclusive jurisdiction need not be exercised so as to destroy the local autonomy of the cities and *Landgemeinden* within the county. If not abused, it may prove a valuable step in the direction of local federalism. At least, it permits a division of labor between county and municipality to a much greater extent than in the past. By removing points of friction and contested jurisdiction, it should encourage coöperation. Such coöperation would be facilitated if some of the burgomasters and other officials of municipalities within the county were made *ex officio* members of the county governing organs. This arrangement might lessen the demand for the separation of the cities from the county.

City-county separation should still be permitted. A minimum population of 50,000 is doubtless better than 25,000 as a separation point. Even so, the problem of the "rump" county would remain. For this reason, separations should take place only at periodic intervals—for example, every ten years—and should then be accompanied by the consolidation of rural counties when that is necessary to maintain the efficiency of county administration. The greatest obstacle to the super-county is the position of the chief executive officer of the county, the county prefect or *Landrat*. In Prussia, this official is now chosen by the cabinet which has strongly opposed all suggestions for making the post elective by the county legislature. Cabinet appointment of the *Landrat* makes for centralization and contradicts the idea of greater local self-government embodied in the theory of the super-county. Until the *Landrat* is "communalized," i.e., elected by the county legislature, it is not likely that much further progress can be made.

There are many other phases of the county problem in Germany which cannot be discussed here for lack of space. However, perhaps enough has been said to give some idea of German opinion on the general subject of city and county relations.[1]

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[1]Since this article was written, there has been a further consolidation of rural counties in Prussia. At the end of July, 1932, it was announced that 58 counties had been united with neighboring counties in the interest of economy. (Berlin *Vossische Zeitung*, July 28, 29, 30, 1932.) These counties were in the main sparsely inhabited, having populations from 15,000 to 30,000. The average population of the Prussian *Landkreis* is between 60,000 and 70,000, while the largest counties have over 150,000 inhabitants. Heretofore, the total number of *Landkreise* was about 400. By a single cabinet order issued on the basis of the second Prussian emergency economy decree (*Sparnotverordnung*) of December, 1931, the number of rural counties was reduced by one-seventh. At the same time, for the purpose of setting aside enclaves, several rural counties were transferred from the jurisdiction of one province to that of another.

What Municipal Home Rule Means Today

IX. Wisconsin

HOME rule constitutes a reserve power in Wisconsin, not yet extensively used or fully construed. Charter ordinances a prominent feature

BY FREDERICK N. MACMILLIN

League of Wisconsin Municipalities

CITIES and villages in Wisconsin have attained a greater degree of home rule than is generally credited. As much of this independence has been obtained through legislative action there has been less incentive to proceed under the home rule power granted by constitutional amendment. Consequently, the supreme court has only begun to construe the scope of home rule. On one point a construction of the home rule amendment contrary to the intention of its framers has been adopted which, although checking the stimulation of the use of home rule, will not handicap any city or village really wishing to proceed under its home rule power.

THE HOME RULE MOVEMENT

The battle for home rule in Wisconsin began early. In 1903 Senator La Follette, Sr., informed the legislature that it was a mistaken policy to encroach upon local government:

> Where the subjects pertain so especially to local interests and where the expense must be borne by local taxation.

Home rule planks were inserted in the platforms of the three principal political parties. A home rule statute was declared invalid in 1912 as an unlawful delegation of power. In 1914 a home rule amendment was defeated at a referendum. After approval by the 1921 and 1923 legislatures (a clerical error in 1919 delaying submission for two years), the home rule amendment was ratified in 1924, and the enabling act was passed by the legislature in 1925.

EXISTING POWERS OF CITIES

Despite the decision that legislative home rule was unconstitutional, the practical effect has been to grant a large measure of legislative home rule. In 1921 all special city charters were repealed, except for Milwaukee, and all cities were brought under the general charter law which largely is uniform for the four classes (population groups) of cities. The general charter law applies only to Milwaukee when that city exercises its option of adopting portions thereof. The enumeration of city powers was eliminated when the general city charter law was revised in 1921 and there was substituted an extremely broad grant of power.[1] Further this general charter provided that it should be liberally construed in favor of city powers.[2]

These provisions have been broadly construed by the supreme court as, for example, in the case upholding the right of cities to render outside fire service,[3] in the case confirming the right of cities to adopt "dry" ordinances,[4] and in the

[1]Sec. 62.11 (5), Wis. Statutes.
[2]Sec. 62.04, Wis. Statutes.
[3]Burlington v. Industrial Com., 195 Wis. 536.
[4]Hack v. Mineral Point, 203 Wis. 215.

case relating to the regulation of junk dealers.[5]

In the "dry" case the court stated that:

> Under the general charter, finding no limitations in express language, a city has . . . . all the power that the legislature could by any possibility confer upon it. . . .
>
> One of the fundamental ideas of cities is that they may make such laws and regulations as are necessary to the peace and good order of the city due to any peculiar condition which may exist within its boundaries and so supplement the efforts of the state to preserve peace and good order.

The court has further held that:

> It is well settled that municipalities may enact ordinances in the same field and on the same subject covered by state legislation where such ordinances do not conflict with, but rather complement, the state legislation.[6]

Municipalities may also re-enact state regulations as ordinances, largely important as permitting fines to accrue to the local treasury. In such instances prosecution under both the state law and the local ordinance is permitted for the same offense.[7] Statutes may also be adopted as an ordinance by reference.[8]

The form of city organization provided by statute is so elastic that almost any combination can be secured. The option of adopting the city manager or two types of commission form is offered. The city manager law permits the council to alter or abolish any board or commission, except the school board.

Under the mayor-council form, which predominates in Wisconsin, certain officials and boards are required, but the council has the option of abolishing many of these, or of transferring the duties. The power to create new departments, boards and offices is almost unlimited. While the mayor, aldermen, and treasurer must be elected, the manner of selection of most other officers may be changed. Variations in the number of aldermen and in their terms are optional.

EXISTING POWERS OF VILLAGES

Village government provides less elasticity without the exercise of the home rule power. Besides the president and trustees, five officials must be elected. With the exception of several boards, which if created must be organized in a certain manner, other officials may be selected as the village board shall determine if the board establishes such offices. All village charters were repealed in 1927, and all villages were brought under the provisions in the statutes.

The enumeration of village powers is detailed, but there is one broad general grant of power. Likewise, the supreme court recently held that:

> Villages not only have such powers as are expressly conferred upon them, but all such powers as are necessarily implied from the powers conferred.[9]

THE HOME RULE AMENDMENT AND ENABLING ACT

The home rule amendment ratified in 1924 modified an existing constitutional provision to read:

> Cities and villages organized pursuant to state law are hereby empowered, to determine their local affairs and government, subject only to this constitution and to such enactments of the legislature of state-wide concern as shall with uniformity affect every city or every village. The method of such determination shall be prescribed by the legislature.[10]

Certain provisions relating to legislative control of the organization of cities and villages, and restrictions on taxation, assessment and borrowing, were eliminated.

In 1925 the legislature adopted an

[5]Lerner v. Delavan, 203 Wis. 32.
[6]Milwaukee v. Childs Co., 195 Wis. 148.
[7]Milwaukee v. Johnson, 192 Wis. 585.
[8]City of Milwaukee v. Krupnik, 201 Wis. 1.
[9]Wonewoc v. Taubert, 203 Wis. 73.
[10]Section 3, Article XI, Wisconsin Constitution.

enabling act which provides that a city or village need not exercise its home rule power in one main effort, but a charter ordinance can be drafted to meet a particular situation, as well as to enact an entire charter. A charter ordinance must be approved by two-thirds of the governing body, and seven per cent of the electors may petition for a referendum thereon within 60 days. A charter ordinance may be initiated, and if the governing body elects to adopt the ordinance without submission to a referendum, seven per cent of the electors can demand a referendum. Charter ordinances may be submitted to a referendum by the governing body without a petition.

Every charter ordinance approved at a referendum supersedes any prior or subsequent enactment of the governing body. Provision is also made for calling a charter convention.

THE EXERCISE OF HOME RULE

No complete home rule charter has been submitted to a referendum in Wisconsin, and there is apparently no pending effort in that direction. A proposed new Milwaukee charter was drafted by a committee representing civic, labor and functional organizations, but the sponsors became discouraged when an amendment to the home rule enabling act was adopted requiring that every charter ordinance specifically designate each legislative enactment made inapplicable. Although many provisions relating to city and village government are scattered throughout the statutes, this amendment affected Milwaukee particularly since it has the only remaining special municipal charter. Last revised in 1874, the conglomeration of Milwaukee charter law is so confused by various complications that many believe it impossible to comply literally with this amendment.

Milwaukee has made the most extensive use of the home rule power, having enacted 53 charter ordinances. Most of these relate to minor matters. Some of the more important were the ones changing the mill taxes, electing not to be governed by the state law on building heights, and eliminating certain special assessments. One charter ordinance taking away from the mayor the power to fill vacancies in the council was rendered void in 1929 by the use of the 60 day referendum clause, and the subsequent rejection of the charter ordinance by the electorate.

Twenty-seven other of the 145 cities in the state and four of the 365 villages have enacted a total of 58 charter ordinances. Among the subjects included are: Establishment of a municipal reserve fund, changing the selection of certain officials, special assessments, building heights, etc. Citizens have made no efforts to initiate charter ordinances, nor to require a referendum on charter ordinances, except in proposed changes from one form of government to another which now follow the home rule procedure instead of the special procedure formerly provided, and except for a re-apportionment ordinance successfully initiated by a Madison alderman.

Some of these charter ordinances elect not to be governed by certain statutes presumably within the field of local affairs and government, and prescribe a different method. In others the municipality assumes the power to do something not specifically authorized. In many instances of the latter there is considerable question whether the thing sought could not be exercised by a general ordinance under the existing broad statutory powers. It is certain that many of these ordinances violate the principles of good charter making in that they contain unnecessary details rather than a grant of power.

THE COURTS AND HOME RULE

It was the intention of the framers of the home rule amendment, Mayor

Hoan of Milwaukee and the League of Wisconsin Municipalities, that the courts need only ask one question to determine whether a charter ordinance was valid: Has the state legislature enacted a statute on the subject matter and does that statute meet the test that it is of state-wide concern and, in addition, uniformly affects all cities or all villages? Nothing has yet developed to invalidate that interpretation.

The first decision on home rule[11] held that education was a matter of state-wide concern because of constitutional provisions upon the subject contained in a separate article indicating that the management of schools was separate and distinct from the management of ordinary municipal affairs.

The second decision upheld a Milwaukee charter ordinance electing not to be governed by a state building heights law, and substituting therefor a higher limit.[12] The court reversed itself before the case left its control, the first decision holding that this was not a local affair. The final decision held that the home rule amendment accomplished two things: First, there was:

> A direct grant of legislative power to municipalities, so that such powers are now held by express grant in and by the constitution, whereas formerly any such power was held solely through and by the legislature.

Second, it limited the legislature in its exercise of the general grant of legislative power.

The court held that "local affairs and government" should have a liberal construction looking toward virility rather than impotency. It was suggested that there may be health regulations and control over transportation and other subjects, like education, which because of their nature are of state-wide concern. The court recognized that a matter of indirect state-wide concern might at the same time affect individual municipalities so intimately as to be a local affair. A "local affair" was held to be something growing out of and presented because of being a city or village as distinguished from a rural community.

The third home rule decision[13] has given some concern to home rule advocates. It was the intention of the sponsors of the amendment, as accepted by both legislatures adopting the amendment, that the legislature could no longer enact laws for classes of cities in matters of local affairs and government. It was not contended that existing provisions were affected until a municipality so elected. It was maintained that otherwise the legislature would still be flooded with requests for special municipal laws and municipalities would hesitate to exercise their home rule power because of fear of litigation. It was deemed preferable that communities and citizens be compelled to take a greater interest in local affairs and government by taking such matters entirely away from the legislature, leaving that body free to consider matters of state-wide concern.

This interpretation was not accepted by the supreme court in the above case. It held that those municipalities desiring to free themselves of legislative interference could elect not to be governed by legislative enactments in the field of local affairs or government, but that those not disposed to exercise their home rule prerogatives should not be compelled to. Consequently home rule does not limit the power of the legislature to legislate on local affairs and government, except that a charter ordinance prevails in that municipality over state enactments coming within the scope of the home rule amendment.

In this decision the court devoted

[11]State ex. rel. Harbach v. Mayor, 189 Wis. 84.

[12]State ex rel. Ekern v. Milwaukee, 190 Wis. 633.

[13]State ex rel. Sleeman v. Baxter, 195 Wis. 437.

almost its entire attention to whether legislation could still be enacted for classes of cities. It made no mention of the phrase "of state-wide concern," and this remains for future clarification. A legislative enactment may apply with uniformity to every city or village and still a city or village presumably may elect not to be governed thereby because it relates to a matter of local affairs and government rather than to one of state-wide concern. In view of the statements of the court in the building heights case, and also the statement in the case next cited to the effect that the charter ordinance might also:

> Be void for the reason that elections are matters of state-wide concern, and that the election laws affect with uniformity all cities.

there should be no great concern on this point.

In the fourth home rule case[14] the court upheld the provision requiring that a charter ordinance specify those legislative enactments made inapplicable, and also held that the legislature had the power to set up the machinery for the exercise of home rule. The court did not pass upon the point as to whether the requirement that charter ordinances be enacted by a two-thirds vote was valid. The court also indicated that charter ordinances would not be invalidated for technicalities, holding, for example, that ministerial duties in connection with the passage not properly performed were not fatal since they could be compellable.

THE LEGISLATURE AND HOME RULE

At the first session of the legislature after the passage of the home rule amendment, Governor Blaine vetoed many bills as an interference with home rule, including bills continuing the policy of classifying cities. His interpretation of the intent of home rule was broad, as were official opinions of the attorney general. In 1927 and 1931 Governors Zimmerman and La Follette vetoed a few measures as a violation of home rule principle. There was no such veto in 1929.

Municipalities have made comparatively little effort to seek legislation violating the home rule principle. Most efforts relate to border line matters in which it was deemed best to take no chances pending further court clarification of "local affairs and government," such as elections, debts, public utilities, taxation, etc. Few local controversies have been taken to the legislature.

The close watch on all legislation now maintained by the League of Wisconsin Municipalities has resulted in the defeat of attempts to enact legislation on local affairs and government, since the League maintains that there is no necessity for putting municipalities to the trouble of passing charter ordinances to avoid such legislation.

CONCLUSION

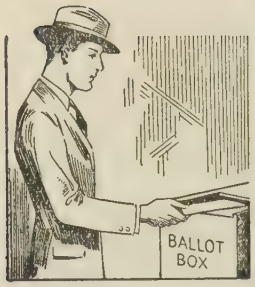
In Wisconsin neither the municipalities themselves nor the courts are fully conscious of the home rule amendment. In the case of the municipalities it is largely because of the broad legislative powers already enjoyed and the success in fending off undesirable legislation. The courts have not clarified their thoughts on the subject because of the few cases that have arisen, as evidenced by the following statement of the supreme court two years after the home rule amendment was ratified:

> It is fundamental, of course, that a municipality has only such power as is expressly or impliedly conferred upon or delegated to it by the legislature.[15]

An effort is being made by the League of Wisconsin Municipalities to fully inform municipal officials of the possibilities of home rule in Wisconsin, including suggestions as to procedure, etc. It is likely that there will be some test cases which will further clarify the situation.

[14]State ex rel. Coyle v. Richter, 203 Wis. 595.

[15]Wis. Assn. of Master Bakers v. Milwaukee, 191 Wis. 302. (See also Hack v. Mineral Point, supra.)



PROPORTIONAL REPRESENTATION

EDITED BY GEORGE H. HALLETT, JR.

Continuing the Proportional Representation Review

A P. R. Charter for New York City?—The sensational resignation of Mayor James J. Walker to avoid removal by Governor Roosevelt on charges by Judge Samuel Seabury definitely advances the chance of a new and satisfactory charter for the world's largest city. There can be no question that this spectacular accomplishment of the Hofstadter investigating committee has greatly enhanced the prestige of its able counsel and will add weight to his recommendations for constructive remedies.

Judge Seabury has made it clear that he does not regard the mere removal of individual officials, however powerful and culpable, as anything of lasting importance. There will always be others to step into their shoes so long as the stranglehold of machine politics remains.

To break this stranglehold and keep it broken he regards proportional representation as a prime essential. The machine politicians of Tammany and their allies are an entrenched minority, powerful only because their opponents are badly divided. If the various elements of the divided opposition, including the great numbers of public-spirited Democrats, can be given their rightful representation in the city's legislative body separately, they will together have a majority. If this new majority can then appoint a non-political city manager, it will put an end to the present type of political control as Cincinnati did—perhaps for all time.

*

California Voting on P. R. Amendments.—Among the numerous state constitutional amendments to be voted on in California on November 8 are two (numbers 8 and 9) which, if approved, will legalize the use of proportional representation in city and county charters. These amendments were sponsored by Senator George W. Rochester of Los Angeles and passed both houses of the last legislature with the active help of the League of California Municipalities, composed entirely of city officials, and with only a few scattering votes in opposition.

The case for the amendments can perhaps be best set forth by quoting entire a statement sent by the League of California Municipalities on August 26 to all city officials in the state:

By action of the board of directors, the office of the League of California Municipalities has caused to be prepared the following statement with respect to constitutional amendments 8 and 9 dealing with proportional representation. These two measures will appear on the state ballot largely as a result of the past active support of the league and the general interest of the cities.

Being a subject devoid of spectacular controversy that frequently attaches to public issues, it was deemed necessary that the cities' attention be called to the matter so that the subject that has received so much favorable attention by them may now receive that added consideration so essential to success.

The purpose of these amendments is to increase the home rule powers of cities and counties in the drafting of their own charters. Previous to 1921 it was supposed that cities had complete powers of home rule in the choice of election methods, but in that year the use of the proportional representation method by the city of Sacramento was held to be unconstitutional by the courts, with an argument that would rule out certain other methods of election also. Amendment 9 is designed to counteract the effect of this de-

cision and grant cities complete freedom to choose proportional representation or any other method of election which they consider best suited to their needs. Amendment 8 is designed to grant the same freedom to counties, which at present have less home rule than cities and are confined to election methods prescribed by the legislature.

Proportional representation, the method which was specifically debarred in the Sacramento case, is the method which is now accepted by most authorities on municipal government as the fairest and most scientific method of electing local representative bodies. It is the method which is recommended, for example, in the *Model City Charter* of the National Municipal League.

It is based on the fundamental American principles of majority rule and equality of voting power and carries out those ideals far better than the ordinary plurality methods of election. It makes it possible for any majority of the voters to win a majority of the seats whether they are united on a single slate of candidates or not, and at the same time assures representation to every substantial minority. Without it large minorities are almost sure to suffer taxation without representation. It is called proportional representation because it gives every viewpoint among the voters the same share of the members elected that it has of the votes cast.

One of its advantages is that it eliminates all need of primaries without sacrificing any of their benefits. Another is that it makes it possible to abolish ward or district lines and obtain the benefits of a city or county-wide viewpoint in elections without the least danger that all the members will be elected by one element or that any part of the territory will be neglected.

Its one use in Sacramento was highly auspicious. After the election there was almost general agreement among business and professional men, organized labor, women voters, public officials, and newspapers that the city had received far more complete and competent representation than it had ever had before. Well over four-fifths of the voters helped elect councilmen for whom they had voted.

The fortunate though brief experience of Sacramento played a large part in the adoption of the plan first by Cleveland and later by Cincinnati, where it has been used by public-spirited citizens to transform an assertedly notoriously corrupt and misgoverned city into what is now generally regarded by students of government as one of the best-governed large cities in the United States.

Cincinnati's demonstration of the plan's possibilities for civic betterment has in turn led to an insistent demand for its adoption in New York City, where Judge Seabury urges it as an indispensable aid in raising public office to its rightful place of public respect, in Philadelphia, in Pittsburgh, and in Kansas City. It is already widely used in other countries also, for example in both city and state elections in Calgary and Winnipeg and in all elections in the Irish Free State.

It should be remembered that amendments 8 and 9 do not force this improved method on any unwilling community. They simply make it available for communities in this state as it is already in others. The passage of these amendments will put California back in the vanguard of home rule states where it belongs. In this state public officials have the enviable reputation of taking the lead in governmental improvements instead of being forced by an outraged public opinion to adopt them. It is hoped that officials throughout the state will do whatever they can to secure a favorable vote on these amendments.

There is always, of course, some danger of an adverse vote through lack of general understanding or a powerful last-minute attack, but so far no opposition has developed. Strong favorable arguments, signed by Senator Rochester and Senator Inman of Sacramento in behalf of Amendment No. 8 and by Senator Rochester and Senator Jones of San José in behalf of Amendment No. 9, have been sent by the state in its publicity pamphlet to all the voters. No adverse arguments were submitted.

A favorable vote on the amendments has also been recommended by the section on direct legislation of the Commonwealth Club of California. This influential recommendation was largely due to a careful study and report made by one of the Club's oldest and most respected members, Mr. A. J. Pillsbury of Berkeley, though the subject was presented also by Mr. Hallett of the National Municipal and P. R. Leagues.

*

Reno Considers a Model Charter.—The attractive little town of Reno, Nevada, is out for a new kind of distinction. Within a few months, if a number of its leading citizens have their way, it will have the best city charter in the United States.

Last July a county grand jury made a detailed report on the present city government of Reno. At the suggestion of its foreman, A. J. Caton, it included a recommendation of the city manager plan and abolition of the ward system of electing councilmen. Shortly thereafter a representative of the National Municipal League was asked to analyze the Reno charter and relate his findings to the Kiwanis Club, the Rotary Club, and the Women's Forum of Washoe County. A charter

committee was formed, under the chairmanship of C. R. Pugh, local attorney, composed of delegates from the Rotary Club, the Kiwanis Club, the Lions' Club, the Chamber of Commerce, the Women's Century Club, the Twenty-Thirty Club, the Merchants' Association, the Taxpayers' Association, and the Wholesalers' Association.

This committee has now asked the National Municipal League to prepare a model charter amendment for its consideration. The outline of such an amendment which the committee had before it in making the request calls for the election of seven councilmen from the city at large by proportional representation, the city manager plan in its most approved form, improvements in the city's financial procedure, and various other changes to modernize the present charter, most of which dates back to 1903 and 1905.

The committee is considering bringing such a charter amendment to a vote by petition at a special election in the spring.

*

A Canadian Province Uses P. R.— On June 16 the ten Winnipeg members of the Manitoba single-house legislature were elected by proportional representation for the fourth time. The city formed a single election area, in which 78,194 ballots were cast. Of these only 1203, or 1.54 per cent, were rejected as invalid or blank, though Winnipeg has a large foreign population. No less than 65,391, or 84 per cent, were effective in helping to elect candidates for whom those who cast them had voted.

The election was contested by three major parties, the Conservative party, the Labor party, and a coalition of the Liberal and Progressive parties which have previously acted independently. There were also a group of Liberal candidates who disapproved of the coalition, two Communists, and a number of unattached independents, but none of these groups secured enough support to deserve one of the ten places. There were 29 candidates in all.

Under these circumstances proportional representation proved particularly useful. No one of the three major parties secured anything like a majority of popular support. A majority vote at large would have given an artificial majority (perhaps all) of the members to either the Conservative or the Labor minority. A majority vote by districts would have been a gamble, with almost any division of the seats possible, depending on the location of the district lines. The result under P. R. was the election of four Labor men, three Conservatives, and three Liberal-Progressives, including representatives of both branches of the coalition.

The quota of voters sufficient to elect one of the ten members was 7,000. When first-choice votes had been counted it was found that the Conservative candidates had 27,274 ballots, just short of four quotas; the Labor candidates 21,938, just over three quotas, with 2,448 more for Labor independents; the Liberal-Progressive candidates 14,818, just over two quotas; Communists 4,561; independent Liberals 1,820; and others 4,128. This practically insured the election of three Conservatives, three Labor men, and two Liberal-Progressives, with a probability of one more each for Conservatives and Labor. A party list system of P. R. would doubtless have given this result.

The actual result, with one less than anticipated for the Conservatives, and one more for the Liberal-Progressive coalition, demonstrated one advantage of the Hare system of P. R. (the only one used in English-speaking countries). The Hare system makes each elected candidate secure a separate quota of voters who believe in his personal fitness and does not allow candidates without such confidence to be swept in by a popular head of the ticket.

A good part of the Conservative strength on first choices proved to be the personal following of some of its individual candidates and not support for the ticket as a whole. Before the last Conservative candidate was defeated 12,449 ballots were transferred from defeated Conservatives and Conservatives elected with a surplus. Of these no less than 3,129, or a full quarter, showed choices for candidates of other parties in preference to the Conservatives still in the running. On the ballots of the defeated Conservative Tobias more next choices were found for Labor candidates than for the remaining Conservatives. Such voters, though their ballots were included in the Conservative total of first choices, were better satisfied to be represented by the other-party candidates whom they actually helped elect than by any Conservative

who was available. Hundreds of other voters supported only part of the Conservative ticket even though they did not cross party lines. While the Conservative strength was thus being dissipated by the Conservative voters themselves, three of the Liberal-Progressive candidates were receiving large additions from defeated Conservative, independent, and independent Liberal candidates, many of whose supporters had marked choices for them in preference to the remaining Conservatives. In the end all three were shown to have more individual support than the fourth Conservative and were elected, though the last place was decided by less than a hundred votes.

The representation of the Liberal-Progressive minority, the third party in size in Winnipeg, was particularly fortunate because it gave the city representation in the Liberal-Progressive government of the province. Under P. R. such representation has been regularly assured and the voters of other parties have felt free to express their real wishes without fear that they would be depriving the city of sympathetic consideration from the province by so doing.

As usual under P. R., the outstanding leaders of all the major parties were reëlected and the city retains the services of legislators of experience. Eight of the outgoing members stood for reëlection and six were successful—three Labor, two Conservative, and one Progressive.

In previous Winnipeg provincial elections the names of the candidates of each party were printed in a separate color for the convenience of the party voters. This time there was no indication of party, which, however, did not prevent the great majority of voters from expressing their preferences along party lines. A rotating ballot, to equalize the advantage of position on the ballot, was used for the first time.

The count was efficiently conducted under the direction of Clarence V. McArthur, acting secretary of the Proportional Representation Society of Canada, a Winnipeg barrister who served as returning officer at the preceding election in 1927 also. The supervisors were Ronald Hooper of the Winnipeg *Evening Tribune,* formerly honorary secretary and now acting president of the Canadian P. R. Society; R. D. Waters, and L. A. H. Warren. Although there were some 25,000 more ballots to be sorted or transferred than in 1927, the count was completed in almost exactly the same working time (32½ hours) with a slightly smaller average working force and $300 less expense.

In the province outside Winnipeg the same method of balloting was used, each voter marking first, second, and further choices for as many of the candidates as he pleased. If his first choice was defeated, his vote was transferred to his second choice instead of being wasted. Since, however, there was only one member to be elected from each district, minorities in each district were necessarily excluded and the result was not proportional.

A truly representative result for the whole province could be secured by the simple expedient of combining the present constituencies into larger areas and letting each one elect several members by the Hare system as in Winnipeg. A plan of this kind, with a reduced total membership, was in fact suggested at the last session by Attorney-General W. J. Major, one of the Winnipeg members who has just been reëlected. It is expected to receive further consideration.

Continuity of Representation under P. R.
Winnipeg Provincial Elections

	Members Elected in			
Party	1920	1922	1927	1932
Labor	4	4	3	4
Liberal	4	2	2	3*
Progressive	..	1	2	
Conservative	2	2	3	3
Independent	0	1	0	0

*Liberal-Progressive coalition.

RECENT BOOKS REVIEWED

House Design Construction and Equipment. The President's Conference on Home Building and Home Ownership. Washington, D. C., 1932. xvii, 325 pp. $1.15.

Too often in discussions on housing, has the situation been studied solely from the standpoint of the tenement. We have shunted aside, as of relatively little consequence, the question of the small house especially in connection with such matters as design, construction and equipment. This new study by the President's Conference is a noteworthy effort to focus attention on the technical aspects of the small house and on possible methods of improvement. Thus one section is devoted to house design, another to construction, and the third to fundamental equipment.

It is the belief of the Committee on Design that the design of the average house is defective. The remedy is to be found in group planning which makes possible a community to homes, much cheaper and architecturally more attractive than the individual house.

The Committee on Construction makes numerous recommendations as to the methods of raising standards, and points out that building costs could be cut considerably by intelligent cost information, the use of labor-saving devices, winter construction, etc.

The section on fundamental equipment is devoted to a very detailed consideration of heating and ventilation, plumbing and sanitation, electric wiring and lighting, and refrigeration.

Emanuel Stein.

New York University.

*

Negro Housing. The President's Conference on Home Building and Home Ownership. Washington, D. C., 1932. xiv, 282 pp. $1.15.

This study by the President's Conference is an unusually good survey of negro housing. It contains adequate and graphic description of the origins of the problem, of the physical aspects of negro housing, of the relation of negro housing to the community, of the social and economic factors involved, and of the difficulties encountered in financing negro home ownership.

The problem of housing the negro is without doubt the most acute phase of the housing problem. There is scarcely a city or town in the country containing an appreciable number of negroes that does not have its negro districts in which slum conditions prevail. In these areas, particularly since the great northward migration of the last two decades, the negroes live under the most distressing conditions of insanitation and congestion.

A number of notable attempts to remedy the situation have been made, such as the Rosenwald and Rockefeller projects. It would seem, however, that the Committee's broad program, embracing such things as higher standards of tenement house sanitation and various methods of financing negro home ownership, would be a significant step towards an effective solution of the problem.

Emanuel Stein.

*

Federal Financing. By Robert A. Love. New York: Columbia University Press, 1931. 261 pp. $4.25.

The appearance of a volume dealing primarily with the many borrowing operations of our federal government is most welcome. It is an historical and critical account of the more important measures and activities of our national treasury in connection with borrowing. Dr. Love hesitates neither to criticize nor to praise the methods followed by the several treasury officials involved in borrowings on any considerable scale. Thus the author observes that, "Surprising as it may

seem, the greatest obstacles to financial strength, especially in modern times have appeared not as a result of failing resources, present or prospective, but as a consequence of weak financial policies." He hastens, however, to temper this somewhat harsh criticism by pointing out that in such a democracy as ours, "the Treasury's every action must fall in line with the plea of the people or be justified before the court of popular appeals."

Later, however, the author changes, "In not a single major period in American finance has the Treasury manipulated matters so as to avoid the unfortunate confusion and costly results which follow in the wake of badly used financing tactics." Though the study of the pages of this book reveals many shortcomings on the part of our fiscal authorities, in the judgment of the reviewer, this indictment is too sweeping.

For one who wishes to familiarize himself with the borrowing phases of our national financial policies this book from the pen of Dr. Love furnishes a most readable and critical account.

Marion K. McKay.
University of Pittsburgh.

*

The Administration of Regulatory Inspectional Services in American Cities. By Edna Trull. New York: Municipal Administration Service. 184 pp. Cloth, $1.50; paper, $1.00.

The body of this book is principally devoted to setting forth information gathered by the author from thirty-eight cities; of which eighteen have each more than 100,000 inhabitants; of which eighteen have mayor-council, sixteen city manager, and four commission government. The seven services considered relate to health, plumbing, building, electrical, smoke, fire prevention, and weights and measures. So far as the material permits, each of these seven is treated upon a similar pattern into which is woven the information gathered from the thirty-eight cities upon that topic, together with other pertinent material and the observations and comment of the author. The outstanding features of the pattern are: the presentation of the public needs to be served; of the general character of the basic legislation involved; of administrative organization; of personnel, their selection, training, experience, numbers, and compensation; of standards and methods; of state and federal relations; of volume and costs of work. The study reveals diversities of practice at every point, some of them due to varying local situations, but enough lacking any apparent rational explanation to justify searching local studies as well as the wider search for standards.

This book does not pretend to the impossible task of furnishing a universal yardstick by which the need and the value of inspectional services can be measured and determined. But the author is convinced that these services are rarely or never supplied in excess.

Nor does the study pretend to the equally impossible task of laying down a universal scheme of organization of the administrative forces required. Considering the heterogeneity of the organization schemes of the thirty-eight cities, this restraint is to be marveled at. The author does, in her final chapter, state the difficulties to the problem, and indicate an approach by which coördination might be obtained without the sacrifice of special proficiencies. But she seems to recognize that each city must solve its own problems, no matter how much help it derives from the experience of others.

Emmett L. Bennett.
University of Cincinnati.

*

Regulation of Public Utilities. A Crucial Problem in Constitutional Government. By Cassius M. Clay. New York: Henry Holt & Co., 1932. xi, 309 pp. $3.50.

This may not be the most profound work published on public utility regulation, but it should be read more extensively than any other book on the subject. It is liberal and critical, but has the understanding that time is required for the molding of public policies and constitutional perspective.

The book is divided into two parts. The first is devoted to the constitutional background of utility regulation, with a discussion of legal and economic questions that are involved in rate-making, particularly, the return to which the companies are entitled, and the basis upon which the return must be determined. In these chapters, Mr. Clay covers ground that has been frequently traversed, but he leaves perhaps clearer markings for others to follow.

In the second part, Mr. Clay discusses, particularly, the problem of state vs. federal regulation of power companies; the conditions

that have brought about the demand for federal regulation, the possibilities of extending and improving state regulation so as to reduce the need for federal control; and the holding company and its relation to the state and interstate control. For the most part, he inclines against material extension of federal regulation, and points to the possibilities of much more effective state regulation through suitable legislation and administrative arrangements.

Mr. Clay apparently has failed to sense the shift toward new types of organization, and the relation of the shift to technological developments. He seems to assume the economic advantages of the holding company systems, but the fact is that they have failed to bring the physical properties into well coördinated groups along most advantageous economic lines.

Mr. Clay ignores largely the shift toward public ownership and operation. He regards this more as a penalty for failure to regulate properly and does not recognize the technological background.

Ten years ago, large central power stations were accepted as fundamental to efficiency, and it was this fact which has been taken to justify the far-flung holding company consolidations. During the past decade, however, there has been enormous progress also in small station efficiency, and today it is not certain at all that the earlier super-power conceptions will apply to the future. The conception of the utility problem has changed materially in the minds of many scientific students who are really seeking what is of maximum public advantage. This shift rests primarily upon technological considerations. Its extension, however, will doubtless be affected by the developments in regulation.

JOHN BAUER.

REPORTS OF PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

Municipal Administration Service

The Organization and Administration of a Governmental Purchasing Office.—Russell Forbes—National Association of Purchasing Agents, New York, 1932. 44 pp. The National Association of Purchasing Agents completes its series of three pamphlets on centralized buying in government with a description of the organization and methods of procedure to be followed in the establishment and operation of a purchasing department. Existing practice of states, counties and cities are cited to show the qualifications and methods of selection of the purchasing agent and his staff, the division of work among them, the cost of operation and the purchasing procedure followed. Salary tables, organization charts and a table showing the cost of the purchasing establishment in twenty-nine governmental units increase the value of this excellent pamphlet. (Apply to National Association of Purchasing Agents, 11 Park Place, New York City.)

* * *

The Control of Passenger Revenue by the Detroit Department of Street Railways.—Detroit Bureau of Governmental Research, 1932. 91 pp. At the request of the general manager of the Detroit Street Railways the Detroit Bureau studied the fare collection methods in use there to ascertain whether the department and the citizen-owners were being properly protected in the handling of the revenues. A number of privately operated companies were investigated and their procedure is briefly described. The bulk of the report describes the Detroit system and the application to it of the principles discernible in the fare collection methods of other street railroads. (Apply to Detroit Bureau of Governmental Research, Inc., 936 First National Bank Building, Detroit, Michigan.)

* * *

Election Administration in New York State Cities.—Harvey R. Goslee—New York State Conference of Mayors and Other Municipal Officials and the School of Citizenship and Public Affairs of Syracuse University. 1931. 47 pp. The study which formed the basis for this publication had the clearly defined objectives of gathering information on election administration practice, of analyzing procedures as to cost and effectiveness, of recommending improvements and of suggesting such changes in the election code as may be necessary to effect them. Expenditures are

analyzed and changes in election districts, polling places and the use of voting machines are discussed as means of reducing the costs of election. Further economy might be effected if the election law were revised to provide for permanent registration, elimination of primaries when there is no contest and a reduction in the amount of required election advertising. (Apply to Bureau of Training and Research, New York State Conference of Mayors and Other Municipal Officials, City Hall, Albany.)

*

Housing Status of Salaried Workers Employed in Pittsburgh.—Theodore A. Veenstra—Bureau of Business Research, University of Pittsburgh, 1932. 99 pp. This study is the result of an investigation undertaken to secure facts to serve as a basis for planning housing developments in Pittsburgh. Over 1,400 families, with salaries ranging from $2,000 to $10,000, but averaging $3,636, provided the statistics. Data are given on the proportion renting and owning, the cost of shelter, the type of housing accommodations and similar facts. Interesting ratios and comparisons are given. Numerous tables and charts are used to illustrate the text. The material has already been of use to the Buhl Foundation in conection with the planning of the Chatham Village development, some of which has been recently completed for occupancy. (Apply to Bureau of Business Research, University of Pittsburgh.)

*

Minnesota Year Book.—League of Minnesota Municipalities, Minneapolis, 1932. 260 pp. The third annual year book of Minnesota scarcely needs comment. The two earlier volumes have already earned for it recognition as a primary source of information on Minnesota. The data in the current volume are grouped under the headings calendar of Minnesota government, government in Minnesota, city and village government, taxation and finance, public utilities, directories and population statistics. Unfortunately these give but a hint of the vast mine of valuable material stored in this relatively small volume. (Apply to League of Minnesota Municipalities, 16 University Library, Minneapolis.)

*

Basic Principles for Determining Rate Structures for Electricity.—William T. Ryan —League of Minnesota Municipalities, 1932. 7 pp. This reprint from *Minnesota Municipalities* analyzes for the residential consumer of electricity the technical factors which determine the amount of his lighting bill. The various forms of rate structure are explained and the numerous items which determine the cost of service are presented graphically to show the reason for variations in rates. (Apply to League of Minnesota Municipalities, 16 University Library, Minneapolis.)

*

Library Classification for Special Collection on Municipal Government and Administration.—Frederick N. MacMillin—League of Wisconsin Municipalities, Madison, 1932. 20 pp. This classification system is planned for a library devoted primarily to municipal government. Many sections have been highly subdivided, others are still in rather general form to be adapted as need appears. Those who deal with the complicated problems of special library classification will welcome an opportunity to examine a working system for municipal documents. (Apply to League of Wisconsin Municipalities, 114 North Carroll Street, Madison. Price 50 cents.)

*

The Federal Revenue Act as it Affects Municipalities.—American Municipal Association, Chicago, 1932. 10 pp. The 1932 Revenue Act has created so many complicated problems for municipalities that much interpretation and explanation will be required. The American Municipal Association has collected in this bulletin a number of the most important official statements so far made on the subject. (Apply to American Municipal Association, Drexel Avenue and 58th Street, Chicago.)

*

The Probst Rating System in Operation.—J. B. Probst.—St. Paul, 1932. 7 pp. Since 1927 the Probst method has been established in twenty-five personnel departments in private industry and public service. Mr. Probst is now beginning a series of analyses of cumulative results. This one describes the system in the fire department of a small city where the simplicity and practicability of the plan has been put to a severe test, but has proved its validity. (Apply to J. B. Probst, City Hall, St. Paul, Minnesota.)

MUNICIPAL ACTIVITIES ABROAD

EDITED BY ROWLAND A. EGGER *Virginia Bureau of Public Administration*

THE CRISIS IN GERMAN MUNICIPAL FINANCE

By Paul V. Betters

Within the whole organization of administrative services in Germany (the federal government, the several states, and local government) the municipalities take the most direct part in conducting administrative work. Due to the comprehensiveness of their authority, which by far exceeds that given to municipalities in general in other countries, the local governments have an extremely large radius of activity. The tasks with which they have to deal are chiefly: public welfare and public health (relief measures, administration of hospitals, etc.), education and school administration, construction of roads and housing, supply of water, gas and electricity, and means of communication for the public. Wherever no particular legal obligation of the *Reich* or of the states exists, the municipalities have to take action and organize the administration. This has made itself especially noticeable during the last few years since all unemployed persons who are not covered by the unemployment insurance system or by crisis relief measures—in particular those who have been unemployed for a long period—have to be supported by the municipalities. The question of unemployment has just recently, during the present depression, caused a tremendous amount of work for the municipalities which is taxing their financial resources to the utmost. According to the financial statistics for the budget year 1931, the expenses of the municipalities amount to approximately seven billion marks, or to about 50 per cent of the whole of public expenditures (excluding war debts and defense).

EXPENDITURES OF THE MUNICIPALITIES

The requirements of the municipalities which had to be covered by taxes during the fiscal year 1931, were for the most important departments, as follows:

Public welfare	46.0%
Schools and education	17.5
Road and street building	10.2
Housing	4.7
Other activities	21.6
	100.0

The unprecedented increase of the expenditure of the municipalities for public relief has two causes: first of all, the impoverishment of large sections of the population due to the war and, in particular, to the inflation which destroyed private incomes entirely and made the individual dependent on public funds for support. The second and much more important cause for the terrible burdens imposed on the municipalities is the continued increase of the number of permanent unemployed for which the municipalities alone have to provide. Those unemployed whom the municipalities have to support—mostly unemployed who have had no work over a long period—have become the most important group of all. The number of unemployed supported by the municipalities rose from 430,000 at the end of 1929 to 2,225,000 in May, 1932. The unemployment burdens borne by the municipalities in-

Author's Note. This article is based upon information presented to the American Municipal Association by the Deutscher Städtetag, the German Union of Cities.

creased from 270 million marks for the fiscal year 1929 to 1,550 million marks for the fiscal year ending in 1932.

The total number of unemployed who received support during the month of May, 1932, was distributed as follows:

Unemployment insurance system	1,140,000 =	23%
Crisis relief	1,633,000 =	33%
Supported by municipalities (approx.)	2,225,000 =	44%
	4,998,000 =	100%

In a short time the municipalities will have to bear more than half the total unemployment burden. In spite of the fact that the rates of support have been cut down to the lowest scale imaginable, so that an unemployed man today has to cover the whole of his daily requirements as well as those of his family, including rent, with *1 mark,* these amounts can now no longer be supplied by the municipalities, owing to the enormous army of unemployed.

THE RESOURCES OF THE MUNICIPALITIES

The financial position of the municipalities and the problem of finding the money necessary for unemployment relief have been rendered all the more difficult, since at the same time the burdens increase, the incoming revenue from taxes and public services (communications and other services) has dwindled in a most disturbing manner. While unemployment relief has increased by approximately 1¼ billion since 1929, the income from taxes has simultaneously decreased by the enormous amount of approximately 1.3 billions, so that the financial situation has become the worse by approximately 2.5 billions. The sums derived from taxes amounted to:

Fiscal year 1929	4,340,000,000
Fiscal year 1932	3,050,000,000

This decrease in the amounts derived from taxes took place in spite of the fact that the newly created emergency taxes which were placed at the disposal of the municipalities (citizen's tax, local beer tax, tax on drinks) were fully utilized. The increase in unemployment burdens at the same time as the disastrous decrease in tax revenues show clearly the acute financial position of the municipalities. The municipalities are faced on the one hand with unemployment burdens which have been placed on them by laws made by the *Reich,* and on the other hand by decreases every year in the *Reich* transfer taxes.

ECONOMY MEASURES

The municipalities have tried to prevent their financial situation from being completely ruined as a result of the increasing burdens and the decrease in tax revenues, by cutting down drastically all expenses. On the recommendation of the Deutscher Städtetag, savings and reductions have been effected in all departments in an attempt to cover the debts which have arisen in all the towns; and as these represent 35 per cent of the total municipal financial requirements exclusive of public welfare, it can clearly be seen how strong the determination was. No department falling under the authority of the municipalities was spared. Numbers of schools have been closed down or consolidated, and large numbers of teaching personnel have been dismissed. The numbers of pupils in the individual grades have been so increased that 60 children are often taught in one room, and many of these must come a great distance to reach the school. The construction of houses, which, owing to the unparalleled lack of housing accommodation in Germany during the last few years, formed the chief preoccupation of the municipalities, has ceased altogether, and only primitive accommodations are being built now. The construction of public buildings has ceased altogether. Money for roads and streets has been so cut down that not even the necessary repair can be carried on. The cultural expenses of the towns which have also been heavily reduced everywhere have had to be done away with altogether in some municipalities. In Essen and in Duisburg, two large cities in the industrial west of Germany, the excellent theatres are being closed and the artists dismissed. The funds which the towns spent after the war until 1927 for the promotion of physical culture, so as to at least do something for the coming generation in the matter of health and physique, have lowered to a minimum.

MUNICIPAL INDEBTEDNESS

Although the municipalities have done everything possible to help themselves, even their restricted program forces a line to be

drawn somewhere, for further cuts in other expenses are no longer possible. When expenses are so heavily curbed, as they are today, debts naturally play a very much more important part than in times of normal financial administration. In spite of the heavy burdens they have to bear, the municipalities have always kept up regular payment of their debts, particularly to foreign countries; and they will continue to keep it up if the relief which has been urgently requested from the *Reich* is granted. If one considers the municipalities as a whole, one must see that the statement which one often hears—that the German municipalities have been outrunning the constable—does not really apply. Certainly the speed at which debts have been incurred has risen more since 1924 than previously; but the reason for this is that all towns have had to make up in all departments what was missed during ten years of war and the post-war period.

Doubts shown as to the honest fulfillment of their liabilities by the towns have in any case been proved to be wrong by the actual facts. The German municipalities are only in debt to foreign countries to the relatively small extent of 700 million marks, of which 650 million marks are long-term credits and only 50 million marks short-loan, as against the total indebtedness of the municipalities amounting to some 10 billions of marks. The money borrowed from abroad was expended *solely* on the extension or renewal of communal works, especially of public services and communications and traffic; it has, therefore, been used purely in a productive sense, and at the same time in a manner which pays for itself. According to the official statistics given out by the *Reich*, 93 per cent of the foreign credits have been applied to public utilities. Credits obtained at home were also, considered as a whole, applied only to services necessary for the welfare of the people, especially to the construction of small dwellings, and small flats; the making of roads and streets, the purchase and sale of land, drainage, school administration, welfare purposes and public services and communications. Only very small amounts, which steadily diminished, were spent on purposes which were not of urgency (luxury expenditure) in the past; they amount to only a little over 1 per cent of the total municipal expenditure, and in addition, they were expended at a time when it was customary to spend on a considerable scale for such purposes.

Without the burdens for unemployment relief, the municipal budgets would today be absolutely sound and balanced. Definite relief must be given to municipal finances by reforming the whole system of unemployment relief, in that the municipalities take charge of the unemployed question and the *Reich* takes a considerable share in the total expense.

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The French Communal Credit Fund.—Mr. James E. Gates, writing in this section of the REVIEW for June, 1932, noted the resolution of the French Congress of Mayors urging the creation of a communal credit fund for the elasticization of local government borrowing in the Republic. The plea of the Congress has in large measure been met by a recent act of the government in establishing a credit fund for the communes and departments.

According to a late issue of the MUNICIPAL REVIEW (Westminster) the resources of the fund are composed, in the first instance, of a lump sum grant of 300,000,000 francs from the national treasury, plus the following annual income:

1. A proportion, beginning with one-fourth in 1932-33 and increasing year by year to all in 1935-36, of the state's share in the proceeds of casino gambling, and the state's share of the tax on gambling in clubs;
2. Two-thirds of the state's share in the tax on pari-mutuel bets placed elsewhere than on racecourses;
3. Donations and legacies, and, if levies are made as to sporting events other than horse races, two-thirds of the levy on pari-mutuel bets on such events.

The localities will be charged normally 2 per cent interest for loans made from this fund, although certain small communes or poor departments borrowing not in excess of 300,000 francs for certain specified categories of public works may be loaned money at a rate of 1.5 per cent. The total amount of loans has been limited to one and one-half billion francs in 1932, 750,000,000 in 1933, and 300,000,000 annually thereafter until 1962, by which time the thirty-year loans, which it is contemplated many of the initial

ones will be, will have been amortized, and the amounts will be available for reinvestment.

The resources of the fund have been divided into five parts, one of which goes to the departments and four to the communes. The departmental share is further equally divided, and one part specifically reserved for those departments in which the proceeds of the *centime* aggregate less than 35,000 francs. Allocation of the four-fifths of the funds reserved for communes is entirely on a population basis, without regard to the yield of the *centime*. One-twelfth of the communal share, or one-fifteenth of the total, will go to communes of over 20,000 inhabitants, one-sixth to communes with 5,000 to 30,000 inhabitants, and one-fourth to communes with 1,500 to 5,000 inhabitants. The remaining half will be available for the 33,900 small communes having less than 1,500 inhabitants.

The three main classes of public works in connection with which the fund is authorized to assist the local governments are water supply, rural electricity supply, and elementary schools. Where the limit fixed exceeds the loans taken for new construction, existing undertakings may benefit by the act and refund up to the limits of the assistance offered.

Benefits taken under the fund in no wise affect other grants-in-aid currently provided for local governments, and the allocation of certain portions of the taxes on gambling to the localities is without prejudice to the grants made from these sources to social and philanthropic institutions.

The fund is contemplated to be a permanent institution in French local government which, after the present crisis, will relieve the localities of certain hardships incident to undertakings involving borrowing. Its immediate purpose, however, is to enable departments and communes to launch extensive public works undertakings which are needed and which will check the growth of unemployment. And while it mainly provides facilities of rural credit, the possibility is opened for the municipalities eventually to utilize the fund as a nucleus for a general permanent mutual credit institution.

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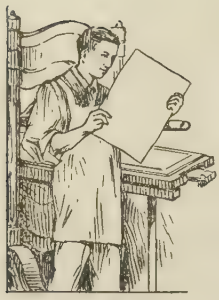
Correction.—An error was made in this department in the September REVIEW in which the rental for Vienna apartments was given for the week instead of the month. The statement should have read: ". . . . the flats rent for as little as two or three dollars a month."



NOTES AND EVENTS

The Emergency Relief and Construction Act.—On September 13 the Reconstruction Finance Corporation authorized a loan of $40,000,000 toward an estimated $283,586,000 required to finance the vast metropolitan water district of Southern California—the first "self-liquidating" project to be approved under the Emergency Relief and Construction Act of July 21. Under the terms of this act a large part of the billion and a half of new loan funds of the R. F. C. are made available "to aid in financing projects authorized under federal, state or municipal law which are self-liquidating in character."

Just why is it sound policy to loan R. F. C. funds for a water-works extension, but unsound to do so for a public school building? Why does a fee-charging municipal swimming pool merit federal support which is denied to a children's playground? And why must a bridge remain unbuilt unless amortized by tolls rather than taxes? These are some of the puzzling questions raised when the Emergency Relief and Construction Act was before Congress in July, and which remain unsolved as the "self-liquidating" sections of the act are being laboriously applied with the aid of a corps of engineers and lawyers in Washington.

According to a radio address by Chairman Atlee Pomerene on September 10, although an average of 150 inquiries are being received each day relative to such loans, only a total of 224 actual applications for loans appear to be within the meaning of the act, and 200 of these are incomplete to such an extent that the engineers' advisory board is unable to pass definite judgment upon them. "Circular No. 3," recently issued by the corporation, refrains from listing the types of projects likely to be approved, but sets forth in 45 numbered paragraphs the meticulously detailed information required from public bodies seeking federal aid. It becomes increasingly probable that most states, counties and municipalities which can leap the hurdles set up by the law and by the Reconstruction Finance Corporation, and many which cannot do so, will be able to secure their funds through normal channels of public finance. Nevertheless, the fact that there is now federal blessing even with severe limitations on increased activity in public works construction may help to combat false public "economy" and furnish useful jobs instead of doles for some lucky thousands of our increasingly desperate millions of unemployed.

A feature of the act having tremendous possibilities for good—if business and civic groups and legislators will rise to the occasion—is Subsection (A) (2) of Section 201. Under this the R. F. C. is authorized and empowered

> To make loans to corporations formed wholly for the purpose of providing housing for families of low income, or for reconstruction of slum areas, which are regulated by state or municipal law as to rents, charges, capital structure, rate of return, and areas and methods of operation, to aid in financing projects undertaken by such corporations which are self-liquidating in character.

Apparently New York is the only one of the 48 states now having a law adequate to meet this test. Profiting by this law, it is the hope of the state board of housing of New York to secure approval of not less than $50,000,000 of federal loans to limited-dividend housing corporations for early expenditure in the city of New York.

As legislative sessions will be held in almost all of the states this fall or early in 1933, here is an opportunity for the introduction of legislation which may do much to speed

the replacement of blighted districts and slums with large-scale, low-rent housing developments of excellent design and substantial construction. Legislators should be advised, however, not to copy verbatim the New York law, which, excellent in some features, was a compromise in others.

An outline of principles which it is recommended should be embodied in a state housing law has been prepared by a Subcommittee on Housing Laws of the Committee on Economics of Site Planning and Housing of the American Institute of Architects. This statement of principles may be found in full in the August number of *The American City*, and is obtainable in mimeographed form from Robert D. Kohn, Chairman of the Construction League of the United States, 56 West 45th Street, New York City.

HAROLD S. BUTTENHEIM.

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Mid-Hudson Bridge Billboard Case Reversed.—By its decision on July 19 in *Perlmutter* v. *Greene* (259 N. Y. 327) the New York Court of Appeals administers one more cut to the outdoor advertising men's claim that the right to shout at people upon the public highway with a billboard is one of the constitutional attributes of the ownership of private property. Incidentally the court declares its concurrence in the popular judgment by referring to a billboard as a "quasi-nuisance."

In 1930, Perlmutter, a furniture dealer of Poughkeepsie, New York, leased private land near the Poughkeepsie end of the new Mid-Hudson Bridge and started to erect a large billboard to advertise his business. Thereupon Colonel Frederick Stuart Greene, superintendent of public works of the state, started to erect a lattice or screen on state land (acquired for the bridge approach) in front of the billboard in order to cut off a view of the board from motorists crossing the bridge, and thus make the board valueless.

Justice Bleakley of the supreme court granted an injunction against the erection of the screen, holding that the state had no "right to build screens along its highway, thus shutting out the view of adjacent owners or the view of travelers upon the highway of adjacent property, unless the screens are erected in furtherance of a highway purpose." He refused to find that the screen had a highway purpose, holding that the claim of the state that the billboard would be a distraction at a dangerous traffic spot was an afterthought, and that the real purpose was æsthetic. He argued that if the state might erect a screen in this instance "it might be done in every instance where the superintendent reached the conclusion that a particular type or form of building attracted the attention of motorists." (140 N. Y. Misc. Reports, 42.)

The appellate division (234 App. Div. 896) in a brief memorandum, by a vote of three to two, sustained the court below, saying in effect that while the state officials might erect directional and traffic signs even though they obscured advertising signs, they might not erect a screen merely to blanket a lawful sign. "The purpose of the defendants, if carried out, is to prevent a lawful use of private property."

Just as Justice Bleakley below had thrown in a dictum to the effect that it would take a constitutional amendment to deal with the billboard evil, the appellate division majority threw in a dictum that even if the offending sign were a nuisance or were otherwise illegal, "that situation would have to be reached by other means" than the one used here by the state.

The opinion of the Court of Appeals, now rendered by Chief Judge Pound and concurred in by all the court, seems to sweep away completely the reasons thus adduced to paralyze the hand of the state superintendent. In dismissing the furniture man's case and in sustaining the right of the superintendent of public works to erect the screen, Judge Pound says:

> Shall we invoke the principle that considerations of an æsthetic purpose may enter into the reasons for improving a State highway and thus sustain the superintendent of public works in his action if it has any direct relation to a highway purpose? . . .
>
> The state superintendent of public works has control of the Mid-Hudson Bridge. . . . and has general supervision over all state highways. . . . In the exercise of such supervision and control doubtless he may plant shade trees along the road to give comfort to motorists and incidentally to improve the appearance of the highway. By so doing he aims to make a better highway than a mere scar across the land would be. If trees interfere with the view of the adjacent property from the road, no right is interfered with. So if the superintendent desires to shield the travelers on the highway from

obnoxious sights of public nuisances or quasi-nuisances by the erection of screens more pleasing to the eye, he still acts within his jurisdiction. He aims to make the highway free from sights which would offend the public. No adjacent owner has the vested right to be seen from the street in his back-yard privacy. Again, if the purpose is to shut out from view scenes which might distract the attention of the driver of a car, the superintendent may aim to make the highway safer for those who use it by erecting screens to keep the eye of the driver on the road as he erects barriers to keep the car on the road on dangerous curves. All these things are as incidental to the construction and operation of the highway as are the matters of grade, materials or drainage.

Authorities are agreed that any considerations, other than purely æsthetic ones, which are relevant to the operation of the highway, may influence the superintendent's action and, if such considerations exist, the fact that considerations of an æsthetic nature also exist does not take away his authority to act. . . .

Beauty may not be queen but she is not an outcast beyond the pale of protection or respect. She may at least shelter herself under the wing of safety, morality or decency. It is, however, needless for the decision of the case to delimit her sphere of influence. The immediate problem is not whether the state superintendent of public works may, as an incident to his power of highway control, shut off from the eyes of the traveling public all advertising signs erected on private property or whether the highway, created by public money, is controlled in part by those who desire to thrust upon the notice of the public the ostentatious display of private advertising from the adjoining premises for their own profit whenever they see fit; nor whether advertisers have a right, independent of environment, to have a highway "kept open" visually so that their signs may compel the eye of the passer-by. The question is whether the superintendent was justified in erecting this screen to shut off the view of this sign in this location. . . .

From new conditions of travel new rights and obligations arise. The state creates new values for adjacent owners by building good roads. . . . No contract exists between the state and the owner that the latter may forever use his property to erect billboards anywhere along the highway; . . .

Some future case may call for new definitions of highway purposes. New highways and new uses arise. Enough for this decision to say that the superintendent of public works may act reasonably in his discretion for the benefit of public travel in screening a billboard at a dangerous curve when by its enormity such a structure may divert the attention of the motorist from the road. He then interferes with no property right of the adjacent owner and he should not be interfered with by the courts. If, incidentally, the appearance of the road is improved by shutting off the view of the billboard, so much the better.

The right of the state official thus established recalls the delightful picture published some months ago in the *Roadside Bulletin* issued by the American Nature Association for the National Council for Protection of Roadside Beauty, where a private owner, incensed at the erection of a huge advertisement by a neighbor in such a manner as to be read across the private owner's land, advertised his sentiments and blanketed the board with a canvas sign reading: "I favor products not advertised on the landscape."

As a result of the New York decision, the effort of highway superintendents to take the profit out of offending rural billboards by the planting of trees in front of them, is likely to be stimulated. Some may even adopt Colonel Greene's plan of erecting screens.

In *Matter of Dr. Bloom Dentist, Inc.*, the same court on the same day upheld the refusal of a city clerk to license a sign in a case where the sign was to be so large but the "Inc." so small that the corporate character of the concern might be overlooked. The court held that the police power of the state extends to the regulation of professional signs and that, in the exercise of that power, the state regents may be empowered to prescribe canons "in the interest of rescuing that profession (the dental) from vulgar commercialism. Prohibition against the use of flamboyant signs by members of a profession cannot be said to be unreasonable." Is the standard implied in the phrases "vulgar commercialism" and "flamboyant signs" anything but an "æsthetic" concept?

ALBERT S. BARD.

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The State Assumes County Roads in Virginia.—On August 9 fifteen Virginia counties, exercising an option afforded them by the 1932 general assembly, held elections to determine whether their roads should be taken over by the state highway system. In eleven counties the majority voted to turn over the erstwhile county roads to the state; in four counties the decision was to exempt themselves from the operation of the new "Byrd plan" road law and continue county construction and maintenance of county roads.

The "Byrd plan," so-called because of the earnest sponsorship of Ex-governor Harry F. Byrd, is similar in most respects to the North Carolina road act of 1931 which provided for the state assumption of all county roads. It provides that the state should take over, on July 1, 1932, the financing and administration of all county roads—approximately 45,000 miles.[1] The original draft of the bill simply permitted those counties that so desired to turn their roads over to the state highway commission. As finally written, however, over the opposition of Governor John Garland Pollard, a sincere friend of local self-government, the bill contained only an optional clause which allowed counties to exempt themselves from this road plan.

Advocates of the "Byrd plan" consistently described this act as a tax-relief measure. Upon this basis State Tax Commissioner C. H. Morrissett, administrative spokesman, waged a stump-speaking campaign in the recalcitrant counties that availed themselves of the opportunity to vote upon whether their roads should be taken over. In addition, Dr. W. H. Stauffer, economist for the state tax department, issued a statement estimating that the "Byrd plan" will save county taxpayers $3,276,190.51—if the boards of supervisors abolish all road levies assessed in 1931.

Opponents of the plan, throughout the contest waged prior to the elections, insisted that it matters little whether the tax be paid to the county or the state, the cost of maintaining these roads still falls on the taxpayers. More telling, probably was the argument that a county stood to lose more in giving up its share of the state gas tax receipts than it would gain from state road financing. The fear was also voiced that county roads would be neglected by the state highway commission in favor of the trunk roads in the primary system.

The four counties that voted themselves out of the provisions of this plan are, Arlington, Henrico, Nottoway and Warwick. Arlington, smallest county in the state, is a densely populated suburban area across the river from Washington, D. C. Henrico County, also densely populated, is located about the city of Richmond. Both counties receive large shares of the state gas tax receipts which are apportioned on the basis of a heterogeneous scheme in which population and the total taxes paid to the state are important factors. The electorates of each of these counties reasoned they had more to lose in the loss of the gas tax funds than the prospect of absentee operation of local streets and roads warranted.

Warwick, a small densely populated county, located about the city of Newport News, receives relatively large returns from the gas tax and, in addition, is traversed by a number of important state highways which minimize the importance of the local roads. Nottoway, the only rural county to accept the alternative of continued county operation, is also particularly fortunate in being well covered by highways of the state's primary system. This county has not levied a tax for road purposes in several years.

As the situation now stands 96 of the 100 Virginia counties have accepted centralized road administration; eighty-five accepted the provisions of the "Byrd plan" from the start, eleven decided at special elections to cede their roads to the state. Four counties, for the time being at least, will continue the county form of road operation. The future of the roads of these four counties has been the subject of considerable speculation. The state highway commission has already taken over the roads and purchased the road machinery of the first group of 85 counties and centralized road administration in Virginia is already a fact.

Even before the state assumption of local road functions is well under way the suggestion is heard that the state take over the operation of all local schools. As yet this suggestion is staunchly opposed—but then Virginia has "hit the sawdust trail" of centralization. How far this state will go in the trading of local rights for prospective economies through centralized administration it is now impossible to ascertain.

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Extensive Improvements in Asheville Police Department.—Asheville has just completed many improvements in its police department, including changes in its organiza-

[1]See NATIONAL MUNICIPAL REVIEW, June, 1932, pp. 405-6.

tion, the installation of a complete records and identification bureau, rearrangement in physical quarters, and the institution of training in the many branches of police science. These changes are a part of a program adopted in Asheville for making the police department the most efficient of any city of the size of Asheville in the United States.

One of the first moves in this police program was to establish a bureau of records and identification. In this bureau have been centralized all of the records, identification, and property work of the entire department, and it thus becomes the hub around which nearly all police activity radiates.

New record forms have been installed and detailed instructions prepared for all members of the force and records bureau employees, explaining just how the new records and services are to be used. Copies of the instructions and forms can be obtained by writing Gerald Cowan, director of public safety of Asheville or the International City Managers' Association, 923 East 60th Street, Chicago. Already these records have aided in subjecting police operations to more definite control and in providing the department with essential facts for distributing the force and for solving crimes. Moreover, a follow-up officer has been appointed, whose duty it is to see to it that all matters requiring police attention are disposed of correctly and with dispatch.

Fingerprinting, photography, and other identification services were initiated so that the department now has the makings of a very modern identification unit in the records bureau. The police telephone system has been revised so that telephone calls are received at a complaint desk in the records and identification bureau. From this point assignments are made to investigating officers, information is given, or the calls are relayed as occasion warrants. This centralizes the clearing of all police business and leads to definite control with a minimum of lost motion.

Although the city is not financially able at the present time to install a radio system, it plans to do so in the near future. Orders and alarms will be broadcast to officers on duty from the central complaint desk, where all crimes are reported. Radio is particularly adaptable to cities such as Asheville, which has a very large area with residential sections extending miles into the hills on every side.

Rules governing the operation of the newly formed civil service board have been drafted and put into effect. These rules are designed to bring about the most effective management of police personnel, while at the same time providing ample protection to the men. The rules establish an orderly plan for recruiting, examining, promoting, and improving the conditions of service of all policemen. It is anticipated that a much better quality of personnel and improvement in morale will be developed under the new plan.

A police women's unit has been established and placed in charge of the police matron, whose duties in the position of matron did not require her full attention. In her capacity as police woman she will aid in handling the problems of missing girls, wayward juveniles, prostitution, offenses in which women are involved, supervision of public social centers, and other duties where a woman can be particularly valuable. She is essentially a crime prevention officer.

To supervise these changes the city of Asheville obtained through the International City Managers' Association the services of Donald C. Stone, Research Director of that organization, and Captain Albert S. Woods, Ex-chief of Detectives of Berkeley, California, and special consultant of the Association. In addition to the changes already put into effect, these men prepared a comprehensive plan which will be used as a guide to future improvements.